



ANNUAL STATEMENT

For the Year Ending December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

NAIC Group Code	0000	,	0000	NAIC Company Code	67032	Employer's ID Number	56-0340860
	(current period)		(prior period)				
Organized under the Laws of	North Carolina			State of Domicile or Port of Entry	NORTH CAROLINA		
Country of Domicile	United States of America						
Incorporated/Organized	02/28/1899			Commenced Business	04/01/1899		
Statutory Home Office	411 W. Chapel Hill Street			Durham, NC 27701-3616			
	(Street and Number)			(City or Town, State and Zip Code)			
Main Administrative Office	411 W. Chapel Hill Street						
	(Street and Number)						
	Durham, NC 27701-3616			(919) 682-9201			
	(City or Town, State and Zip Code)			(Area Code)(Telephone Number)			
Mail Address	411 W. Chapel Hill Street			Durham, NC 27701-3616			
	(Street and Number)			(City or Town, State and Zip Code)			
Primary Location of Books and Records	411 W. Chapel Hill Street						
	(Street and Number)						
	Durham, NC 27701-3616			(919) 682-9201			
	(City or Town, State and Zip Code)			(Area Code)(Telephone Number)			
Internet Website Address	ncmutuallife.com						
Statutory Statement Contact	Kamlesh Shah			(919) 313-7807			
	(Name)			(Area Code)(Telephone Number)			
	kshah@ncmutuallife.com			(919) 313-8723			
	(E-Mail Address)			(Fax Number)			

PRINCIPAL OFFICERS***

President and Chief Executive Officer	JAMES HERBERT SPEED JR., CPA
Senior Vice President-Chief Operating Officer	RICHARD LEE HALL
Sr. Vice President of Administration/Human Resources	GRACIE ANN JOHNSON-LOPEZ, SPHR
Vice President-Accounting Services	DAVID ALAN BAYLOCK
Vice President-Corporate Actuary	STAFFORD LEROY THOMPSON, JR, FSA, MAAA
Vice President-Group Marketing	ARTHELL DAMON DAVIS
Vice President-Individual Marketing	RONALD RUSSELL CORLEW

DIRECTORS***

CAROL MOSELEY BRAUN	ERSKINE BOYCE BOWLES	JULIUS LEVONNE CHAMBERS
BERT COLLINS, Chairman	JOE LOUIS DUDLEY, SR.	NATHAN TAYLOR GARRETT, SR.
ELLIOTT SAWYER HALL	JAMES HERBERT SPEED, JR.	THEODORE WALSTEIN LONG, JR.
PHAIL WYNN JR.		

State of North Carolina

County of Durham ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
James Herbert Speed, Jr.	Richard Curtis Barnes	David Alan Baylock
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President, CEO	Corporate Secretary	Vice President - Accounting Services
(Title)	(Title)	(Title)

Subscribed and sworn to before me this

day of

(Notary Public Signature)

a. Is this an original filing? Yes [X] No []

b. If no:

1. State the amendment number	
2. Date filed	
3. Number of pages attached	

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	99,761,149		99,761,149	103,112,427
2.	Stocks (Schedule D)				
2.1	Preferred stocks				
2.2	Common Stocks	401,535		401,535	1,017,843
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens	13,063,721	106,467	12,957,254	12,661,732
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)	46,437		46,437	
5.	Cash (\$.....2,188,289 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....10,117,680 Schedule DA)	12,305,969		12,305,969	12,170,662
6.	Contract loans (including \$.....0 premium notes)	6,511,531	24,632	6,486,899	6,393,810
7.	Other invested assets (Schedule BA)	33,182	33,182		
8.	Receivables for securities	214,866		214,866	671,669
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	132,338,390	164,281	132,174,109	136,028,143
11.	Title plants less \$.....0 charged off (for Title insurers only)				
12.	Investment income due and accrued	1,543,342	20,287	1,523,055	1,578,457
13.	Premiums and considerations:				
13.1	Uncollected premiums and agents' balances in the course of collection	1,214,228		1,214,228	2,515,878
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)	2,411,008		2,411,008	2,707,150
13.3	Accrued retrospective premiums				
14.	Reinsurance:				
14.1	Amounts recoverable from reinsurers	1,404,569		1,404,569	1,523,226
14.2	Funds held by or deposited with reinsured companies	189,154		189,154	935,130
14.3	Other amounts receivable under reinsurance contracts	3,603,800	4,198	3,599,602	5,444,759
15.	Amounts receivable relating to uninsured plans				
16.1	Current federal and foreign income tax recoverable and interest thereon	40,371	40,371		40,371
16.2	Net deferred tax asset	13,032,756	13,032,756		
17.	Guaranty funds receivable or on deposit				
18.	Electronic data processing equipment and software	69,818	48,293	21,525	3,978
19.	Furniture and equipment, including health care delivery assets (\$.....0)	3,972	3,972		
20.	Net adjustment in assets and liabilities due to foreign exchange rates				
21.	Receivables from parent, subsidiaries and affiliates				
22.	Health care (\$.....0) and other amounts receivable				
23.	Aggregate write-ins for other than invested assets	10,833,629	1,790,642	9,042,987	8,633,793
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	166,685,037	15,104,800	151,580,237	159,410,885
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	Total (Lines 24 and 25)	166,685,037	15,104,800	151,580,237	159,410,885
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	CSV OFFICERS INSURANCE	8,916,687		8,916,687	8,530,524
2302.	ADVANCES TO AGENTS	615,608	615,608	0	0
2303.	PREPAID RENT / EXPENSES	119,805	119,805		
2398.	Summary of remaining write-ins for Line 23 from overflow page	1,181,529	1,055,229	126,300	103,269
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	10,833,629	1,790,642	9,042,987	8,633,793

LIABILITIES, SURPLUS AND OTHER FUNDS

		1	2
		Current Year	Prior Year
1.	Aggregate reserve for life contracts \$.....126,300,562 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....27,249,257 Modco Reserve)	126,300,562	125,526,038
2.	Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Column 1) (including \$.....0 Modco Reserve)	407,129	423,509
3.	Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve)	2,698,176	2,725,605
4.	Contract claims:		
4.1	Life (Exhibit 8, Part 1, Line 4.4, Column 1 less sum of Columns 9, 10, and 11)	3,805,782	8,278,749
4.2	Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Columns 9, 10, and 11)	234,849	180,653
5.	Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10)		
6.	Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1	Dividends apportioned for payment (including \$.....0 Modco)		549,346
6.2	Dividends not yet apportioned (including \$.....0 Modco)		
6.3	Coupons and similar benefits (including \$.....0 Modco)		
7.	Amount provisionally held for deferred dividend policies not included in Line 6		
8.	Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....11,209 accident and health premiums (Exhibit 1, Part 1, Column 1, sum of Lines 4 and 14)	221,248	222,315
9.	Contract liabilities not included elsewhere:		
9.1	Surrender values on canceled contracts		
9.2	Provision for experience rating refunds, including \$.....0 A & H experience rating refunds		
9.3	Other amounts payable on reinsurance; including \$.....(1,463) assumed and \$.....0 ceded	(1,463)	
9.4	Interest Maintenance Reserve (IMR, Line 6)	105,959	
10.	Commissions to agents due or accrued-life and annuity contracts \$.....0 accident and health \$.....0 and deposit-type contract funds \$.....0		294,009
11.	Commissions and expense allowances payable on reinsurance assumed	644,652	81,284
12.	General expenses due or accrued (Exhibit 2, Line 12, Column 6)	461,233	916,942
13.	Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14.	Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5)	78,726	(25,123)
15.1	Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses)		
15.2	Net deferred tax liability		
16.	Unearned investment income	1,150,936	63,975
17.	Amounts withheld or retained by company as agent or trustee	17,508	(144,835)
18.	Amounts held for agents' account, including \$.....0 agents' credit balances	(293,756)	(151,047)
19.	Remittances and items not allocated	437,215	441,136
20.	Net adjustment in assets and liabilities due to foreign exchange rates		
21.	Liability for benefits for employees and agents if not included above	3,877,149	3,958,985
22.	Borrowed money \$.....0 and interest thereon \$.....0		
23.	Dividends to stockholders declared and unpaid		
24.	Miscellaneous liabilities:		
24.1	Asset Valuation Reserve (AVR, Line 16, Column 7)	326,488	608,371
24.2	Reinsurance in unauthorized companies	16,359	
24.3	Funds held under reinsurance treaties with unauthorized reinsurers		
24.4	Payable to parent, subsidiaries and affiliates		
24.5	Drafts outstanding	45,928	164,472
24.6	Liability for amounts held under uninsured plans		
24.7	Funds held under coinsurance	1,843,572	2,915,105
24.8	Payable for securities		
24.9	Capital notes \$.....0 and interest thereon \$.....0		
25.	Aggregate write-ins for liabilities	2,836,679	2,886,345
26.	TOTAL Liabilities excluding Separate Accounts Business (Lines 1 to 25)	145,214,931	149,915,834
27.	From Separate Accounts Statement		
28.	TOTAL LIABILITIES (Lines 26 and 27)	145,214,931	149,915,834
29.	Common capital stock		
30.	Preferred capital stock		
31.	Aggregate write-ins for other than special surplus funds		
32.	Surplus Notes		
33.	Gross paid in and contributed surplus (Page 3, Line 33, Column 2 plus Page 4, Line 51.1, Column 1)		
34.	Aggregate write-ins for special surplus funds	7,279,633	8,156,539
35.	Unassigned funds (surplus)	(914,327)	1,338,512
36.	Less treasury stock, at cost:		
36.1	.....0 shares common (value included in Line 29 \$.....0)		
36.2	.....0 shares preferred (value included in Line 30 \$.....0)		
37.	Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (Including \$.....0 in Separate Accounts Statement)	6,365,306	9,495,051
38.	TOTALS of Lines 29, 30 and 37 (Page 4, Line 55)	6,365,306	9,495,051
39.	TOTALS of Lines 28 and 38 (Page 2, Line 26, Column 3)	151,580,237	159,410,885
DETAILS OF WRITE-INS			
2501.	GROUP LIFE FUNDS HELD ON DEPOSIT	2,836,679	2,886,345
2502.	.....	
2503.	.....	
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	2,836,679	2,886,345
3101.	.....	
3102.	.....	
3103.	.....	
3198.	Summary of remaining write-ins for Line 31 from overflow page		
3199.	TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above)		
3401.	APPROPRIATION OF DESTRENGTHENED RESERVES	109,037	751,505
3402.	SURPLUS FROM REINSURANCE	7,170,596	7,405,034
3403.	.....	
3498.	Summary of remaining write-ins for Line 34 from overflow page		
3499.	TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)	7,279,633	8,156,539

SUMMARY OF OPERATIONS

		1	2
		Current Year	Prior Year
1.	Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col.11)	26,707,858	37,311,837
2.	Considerations for supplementary contracts with life contingencies		
3.	Net investment income (Exhibit of Net Investment Income Line 17)	7,405,142	7,326,219
4.	Amortization of Interest Maintenance Reserve (IMR, Line 5)	207,924	215,296
5.	Separate Accounts net gain from operations excluding unrealized gains or losses		
6.	Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Column 1)	5,789,008	12,147,768
7.	Reserve adjustments on reinsurance ceded	(431,081)	23,706,148
8.	Miscellaneous Income:		
8.1	Income from fees associated with investment management, administration and contract guarantees from Separate Accounts ...		
8.2	Charges and fees for deposit-type contracts		
8.3	Aggregate write-ins for miscellaneous income	(686,496)	(157,379)
9.	TOTALS (Lines 1 to 8.3)	38,992,355	80,549,889
10.	Death benefits	16,911,099	24,985,211
11.	Matured endowments (excluding guaranteed annual pure endowments)	(233,291)	249,588
12.	Annuity benefits (Exhibit 8, Part 2, Line 6.4, Columns 4 + 8)		
13.	Disability benefits and benefits under accident and health contracts	843,836	579,596
14.	Coupons, guaranteed annual pure endowments and similar benefits		
15.	Surrender benefits and other fund withdrawals for life contracts	2,551,476	2,315,760
16.	Group conversions	41,462	17,494
17.	Interest and adjustments on contract or deposit-type contract funds	45,641	4,425
18.	Payments on supplementary contracts with life contingencies	1,563	8,287
19.	Increase in aggregate reserves for life and accident and health contracts	758,144	29,379,771
20.	TOTALS (Lines 10 to 19)	20,919,930	57,540,132
21.	Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Column 1)	2,292,619	2,190,835
22.	Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Column 1)	1,158,696	8,202,049
23.	General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4)	13,541,905	15,715,293
24.	Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Columns 1 + 2 + 3)	1,341,419	1,380,125
25.	Increase in loading on deferred and uncollected premiums	723,576	(683,829)
26.	Net transfers to or (from) Separate Accounts net of reinsurance		
27.	Aggregate write-ins for deductions	54,775	216,610
28.	TOTALS (Lines 20 to 27)	40,032,920	84,561,215
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(1,040,564)	(4,011,326)
30.	Dividends to policyholders	(96,699)	522,764
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(943,865)	(4,534,090)
32.	Federal and foreign income taxes incurred (excluding tax on capital gains)		
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(943,865)	(4,534,090)
34.	Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$......0 (excluding taxes of \$......0 transferred to the IMR)	(1,561,796)	124,265
35.	Net Income (Line 33 plus Line 34)	(2,505,661)	(4,409,825)
CAPITAL AND SURPLUS ACCOUNT			
36.	Capital and surplus, December 31, prior year (Page 3, Line 38, Column 2)	9,495,052	12,971,474
37.	Net Income (Line 35)	(2,505,661)	(4,409,825)
38.	Change in net unrealized capital gains (losses) less capital gains tax of \$......0	(600,331)	251,492
39.	Change in net unrealized foreign exchange capital gain (loss)		
40.	Change in net deferred income tax	813,317	1,225,487
41.	Change in nonadmitted assets	(585,739)	72,913
42.	Change in liability for reinsurance in unauthorized companies	(16,359)	
43.	Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4)		
44.	Change in asset valuation reserve	281,882	138,029
45.	Change in treasury stock (Page 3, Lines 36.1 and 36.2 Column 2 minus Column 1)		
46.	Surplus (contributed to) withdrawn from Separate Accounts during period		
47.	Other changes in surplus in Separate Accounts Statement		
48.	Change in surplus notes		
49.	Cumulative effect of changes in accounting principles		
50.	Capital changes:		
50.1	Paid in		
50.2	Transferred from surplus (Stock Dividend)		
50.3	Transferred to surplus		
51.	Surplus adjustment:		
51.1	Paid in		
51.2	Transferred to capital (Stock Dividend)		
51.3	Transferred from capital		
51.4	Change in surplus as a result of reinsurance	(234,438)	(222,473)
52.	Dividends to stockholders		
53.	Aggregate write-ins for gains and losses in surplus	(282,416)	(532,045)
54.	Net change in capital and surplus for the year (Lines 37 through 53)	(3,129,745)	(3,476,422)
55.	Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38)	6,365,306	9,495,052
DETAILS OF WRITE-INS			
08.301.	MISCELLANEOUS INCOME	220,733	121,610
08.302.	MISCELLANEOUS INCOME ADMINISTRATIVE SERVICE CHARGE	11,837	146,467
08.303.	OI CHANGE IN CONVERSION POOL ASSETS-ASSUMED	(278,263)	(349,735)
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	(640,803)	(75,721)
08.399.	TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	(686,496)	(157,379)
2701.	DEFERRED COMP	341,637	670,963
2702.	INC (DEC) IN GRP FUNDS ON DEPOSIT	(49,666)	(23,714)
2703.	OTHER DEDUCTIONS	(237,196)	(432,784)
2798.	Summary of remaining write-ins for Line 27 from overflow page		2,145
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	54,775	216,610
5301.	SURPLUS INC / DEC - OTHER PRIOR PERIOD ADJUSTMENTS	119,735	(830,323)
5302.	SURPLUS INC / DEC - PRIOR PERIOD ADJUSTMENT - 2008 AUDIT ADJUSTMENTS	(402,151)	
5303.	SURPLUS INC / DEC - PRIOR PERIOD ADJUSTMENT - 2007 AUDIT ADJUSTMENTS		298,278
5398.	Summary of remaining write-ins for Line 53 from overflow page		
5399.	TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above)	(282,416)	(532,045)

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	28,182,194	39,689,177
2.	Net investment income	8,315,830	7,526,654
3.	Miscellaneous income	5,102,512	35,696,537
4.	Total (Lines 1 through 3)	41,600,536	82,912,368
5.	Benefit and loss related payments	24,762,830	29,324,875
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	19,225,701	26,724,272
8.	Dividends paid to policyholders	452,647	427,211
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	(1)	
10.	Total (Lines 5 through 9)	44,441,177	56,476,358
11.	Net cash from operations (Line 4 minus Line 10)	(2,840,640)	26,436,010
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	40,859,082	41,247,258
12.2	Stocks	1,981,866	43,750
12.3	Mortgage loans	1,550,155	1,808,321
12.4	Real estate	207,917	292,296
12.5	Other invested assets		7,800
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	456,803	
12.8	Total investment proceeds (Lines 12.1 to 12.7)	45,055,823	43,399,426
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	38,543,337	60,271,572
13.2	Stocks	1,493,978	62,810
13.3	Mortgage loans	1,822,131	2,781,383
13.4	Real estate	182,759	225,275
13.5	Other invested assets		
13.6	Miscellaneous applications		640,201
13.7	Total investments acquired (Lines 13.1 to 13.6)	42,042,205	63,981,240
14.	Net increase (decrease) in contract loans and premium notes	(88,514)	1,644,656
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	3,102,132	(22,226,471)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities	(27,429)	(70,535)
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(98,753)	1,158,886
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(126,182)	1,088,351
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	135,309	5,297,891
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	12,170,662	6,931,060
19.2	End of year (Line 18 plus Line 19.1)	12,305,971	12,228,951

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			
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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	Ordinary			6	Group		Accident and Health			12
				3	4	5		7	8	9	10	11	
		Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (a)	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
1.	Premiums and annuity considerations for life and accident and health contracts	26,707,858	327,621	12,980,633	260,602			11,907,336		891,900		339,766	
2.	Considerations for supplementary contracts with life contingencies												
3.	Net investment income	7,405,142	9,716	7,121,564	147,034	5,319		121,077		392		40	
4.	Amortization of Interest Maintenance Reserve (IMR)	207,923	266	199,720	3,724	149	4,064						
5.	Separate Accounts net gain from operations excluding unrealized gains or losses												
6.	Commissions and expense allowances on reinsurance ceded	5,789,008	1,275,338	3,536,707				448,514		528,449			
7.	Reserve adjustments on reinsurance ceded	(431,081)		(431,081)									
8.	Miscellaneous Income												
	8.1 Fees associated with income from investment mngmt., admin., and contract guarantees (From S.A.)												
	8.2 Charges and fees for deposit-type contracts												
	8.3 Aggregate write-ins for miscellaneous income	(686,496)	11,047	100,629	1,767			(919,939)		120,000			
9.	TOTALS (Lines 1 to 8.3)	38,992,354	1,623,988	23,508,172	413,127	5,468	4,064	11,556,988		1,540,741		339,806	
10.	Death benefits	16,909,648	371,618	5,617,734				10,920,296					
11.	Matured endowments (excluding guaranteed annual pure endowments)	(233,291)	(296,888)	63,597									
12.	Annuity benefits												
13.	Disability benefits and benefits under accident and health contracts	845,287								488,739		356,548	
14.	Coupons, guaranteed annual pure endowments and similar benefits												
15.	Surrender benefits and withdrawals for life contracts	2,551,476	6,004	2,152,554	392,918								
16.	Group conversions	41,462						41,462					
17.	Interest and adjustments on contract or deposit-type contract funds	45,641	3,553	42,242		(154)							
18.	Payments on supplementary contracts with life contingencies	1,563	159	1,195	98							111	
19.	Increase in aggregate reserves for life and accident and health contracts	758,144	536,839	140,463	139,469	(121)		(42,125)		(10,752)		(5,629)	
20.	TOTALS (Lines 10 to 19)	20,919,930	621,285	8,017,785	532,485	(275)		10,919,633		477,987		351,030	
21.	Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	2,292,619	18,834	1,914,158	18,236			219,021		107,466		14,904	
22.	Commissions and expense allowances on reinsurance assumed	1,158,697		449,358				568,231		141,108			
23.	General insurance expenses	13,541,904	1,537,062	7,125,202	316,707	374		2,541,798		1,633,577		387,184	
24.	Insurance taxes, licenses and fees, excluding federal income taxes	1,341,419	96,005	749,377	37,244			289,469		130,117		39,207	
25.	Increase in loading on deferred and uncollected premiums	723,576	257,161	466,447	(32)								
26.	Net transfers to or (from) Separate Accounts net of reinsurance												
27.	Aggregate write-ins for deductions	54,774	11,854	54,493	2,443	2		(30,062)		13,058		2,986	
28.	TOTALS (Lines 20 to 27)	40,032,919	2,542,201	18,776,820	907,083	101		14,508,090		2,503,313		795,311	
29.	Net gain from operations before dividends to policyholders and federal income taxes (Line 9 - Line 28)	(1,040,565)	(918,213)	4,731,352	(493,956)	5,367	4,064	(2,951,102)		(962,572)		(455,505)	
30.	Dividends to policyholders	(96,700)	(54)	(96,646)									
31.	Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 - Line 30)	(943,865)	(918,159)	4,827,998	(493,956)	5,367	4,064	(2,951,102)		(962,572)		(455,505)	
32.	Federal income taxes incurred (excluding tax on capital gains)												
33.	Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(943,865)	(918,159)	4,827,998	(493,956)	5,367	4,064	(2,951,102)		(962,572)		(455,505)	
DETAILS OF WRITE-INS													
08.301.	MISCELLANEOUS INCOME	233,443	11,047	100,629	1,767					120,000			
08.302.	MISCELLANEOUS INCOME ADMINSTRATIVE SERVICE CHARGE												
08.303.	OI CHANGE IN CONVERSION POOL ASSETS-ASSUMED	(278,263)						(278,263)					
08.398.	Summary of remaining write-ins for Line 8.3 from overflow page	(641,676)						(641,676)					
08.399.	TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	(686,496)	11,047	100,629	1,767			(919,939)		120,000			
2701.	DEFERRED COMP	341,636	38,777	178,253	7,990	9		64,125		42,714		9,768	
2702.	INC (DEC) IN GRP FUNDS ON DEPOSIT	(49,666)						(49,666)					
2703.	OTHER DEDUCTIONS	(237,196)	(26,923)	(123,760)	(5,547)	(7)		(44,521)		(29,656)		(6,782)	
2798.	Summary of remaining write-ins for Line 27 from overflow page												
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	54,774	11,854	54,493	2,443	2		(30,062)		13,058		2,986	

(a) Includes the following amounts for FEGLI/SGLI: Line 1 \$.....0,Line 10 \$.....0, Line 16 \$.....0, Line 23 \$.....0,Line 24 \$.....0.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves) (Net of Reinsurance Ceded)								
1. Reserve December 31, prior year	125,526,479	14,347,240	108,493,842	2,336,269	2,493		346,635	
2. Tabular net premiums or considerations	7,278,416	52,191	6,965,623	260,602				
3. Present value of disability claims incurred					X X X			
4. Tabular interest	4,433,128	31,976	4,188,968	147,497	92		64,595	
5. Tabular less actual reserve released	150				150			
6. Increase in reserve on account of change in valuation basis								
7. Other increases (net)		(13,502,849)	13,502,849					
8. Totals (Lines 1 to 7)	137,238,173	928,558	133,151,282	2,744,368	2,735		411,230	
9. Tabular cost	4,684,869	224,589	4,585,559	(125,279)	X X X			
10. Reserves released by death	3,202,152		3,202,152	X X X	X X X			X X X
11. Reserves released by other terminations (net)	2,943,657		2,549,748	393,909				
12. Annuity, supplementary contract, and disability payments involving life contingencies	107,083				363		106,720	
13. Net transfers to or (from) Separate Accounts								
14. Total deductions (Lines 9 to 13)	10,937,761	224,589	10,337,459	268,630	363		106,720	
15. Reserve December 31, current year	126,300,412	703,969	122,813,823	2,475,738	2,372		304,510	

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a)..... 1,638,225	..... 1,683,091
1.1	Bonds exempt from U.S. tax	(a)..... 3,814	..... 1,913
1.2	Other bonds (unaffiliated)	(a)..... 5,910,057	..... 4,734,834
1.3	Bonds of affiliates	(a).....	.....
2.1	Preferred stocks (unaffiliated)	(b).....	.....
2.11	Preferred stocks of affiliates	(b).....	.....
2.2	Common stocks (unaffiliated) .....	..... 22,423	..... 22,423
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c)..... 874,639	..... 896,255
4.	Real estate	(d)..... 10,511	..... 10,511
5.	Contract loans .....	..... 427,533	..... 401,978
6.	Cash, cash equivalents and short-term investments	(e)..... 46,755	..... 46,755
7.	Derivative instruments	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	..... 20,659	..... 20,659
10.	Total gross investment income .....	..... 8,954,616	..... 7,818,419
11.	Investment expenses		(g)..... 347,264
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)..... 12,314
13.	Interest expense		(h)..... 53,699
14.	Depreciation on real estate and other invested assets		(i).....
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Total deductions (Lines 11 through 15) .....		..... 413,277
17.	Net Investment income (Line 10 minus Line 16) .....		..... 7,405,142
DETAILS OF WRITE-INS			
0901.	SURRENDER CHARGES .....	..... 14,591	..... 14,591
0902.	OTHER INVESTMENT INCOME .....	..... 6,068	..... 6,068
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	..... 20,659	..... 20,659
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....		.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases. (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances. (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases. (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium. (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts. (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes. (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	..... 429,833	.....	..... 429,833	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	..... (1,687,418)	.....	..... (1,687,418)	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	..... 471,884	.....	..... 471,884	..... (600,303)	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	..... 52,755	.....	..... 52,755	.....	.....
5.	Contract loans .....	.....	.....	.....	..... (28)	.....
6.	Cash, cash equivalents and short-term investments .....	..... 4,064	.....	..... 4,064	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	..... (728,882)	.....	..... (728,882)	..... (600,331)	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) ..	.....	.....	.....	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH POLICIES AND CONTRACTS

		1	2	Ordinary		5	Group		Accident and Health			11
		Total	Industrial Life	3	4	Credit Life (Group and Individual)	6	7	8	9	10	Aggregate of All Other Lines of Business
				Life Insurance	Individual Annuities		Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	
FIRST YEAR (other than single)												
1.	Uncollected	13,307		13,307								
2.	Deferred and accrued	170,262		170,262								
3.	Deferred, accrued and uncollected:											
3.1	Direct	1,447,032		1,447,032								
3.2	Reinsurance assumed	187		187								
3.3	Reinsurance ceded	1,263,650		1,263,650								
3.4	Net (Line 1 + Line 2)	183,569		183,569								
4.	Advance	(12)		(12)								
5.	Line 3.4 - Line 4	183,581		183,581								
6.	Collected during year:											
6.1	Direct	1,802,144		1,727,566	74,578							
6.2	Reinsurance assumed	512,478		512,478								
6.3	Reinsurance ceded	1,217,490		1,217,490								
6.4	Net	1,097,131		1,022,553	74,578							
7.	Line 5 + Line 6.4	1,280,712		1,206,134	74,578							
8.	Prior year (uncollected + deferred and accrued - advance)	221,661		221,661								
9.	First year premiums and considerations:											
9.1	Direct	2,144,496		2,069,918	74,578							
9.2	Reinsurance assumed	269,744		269,744								
9.3	Reinsurance ceded	1,355,188		1,355,188								
9.4	Net (Line 7 - Line 8)	1,059,051		984,473	74,578							
SINGLE												
10.	Single premiums and considerations:											
10.1	Direct	509,752	(54)	509,806								
10.2	Reinsurance assumed											
10.3	Reinsurance ceded											
10.4	Net	509,752	(54)	509,806								
RENEWAL												
11.	Uncollected	1,235,877	7,981	189,523			563,762		470,047		4,564	
12.	Deferred and accrued	5,378,742	255,869	5,122,873								
13.	Deferred, accrued and uncollected:											
13.1	Direct	5,431,692	203,024	5,169,185			54,949				4,534	
13.2	Reinsurance assumed	5,378,761	324,044	2,006,356			2,578,284		470,047		30	
13.3	Reinsurance ceded	4,195,835	263,218	1,863,146			2,069,471					
13.4	Net (Line 11 + Line 12)	6,614,619	263,850	5,312,396			563,762		470,047		4,564	
14.	Advance	221,662	5,535	204,516							11,611	
15.	Line 13.4 - Line 14	6,392,957	258,315	5,107,880			563,762		470,047		(7,047)	
16.	Collected during year:											
16.1	Direct	19,394,964	494,609	11,644,404	186,024		3,671,694		3,058,525		339,708	
16.2	Reinsurance assumed	22,454,950	772,582	4,871,212			16,457,403		352,998		755	
16.3	Reinsurance ceded	15,429,523	1,197,832	5,330,158			6,381,910		2,519,623			
16.4	Net	26,420,391	69,360	11,185,457	186,024		13,747,187		891,900		340,463	
17.	Line 15 + Line 16.4	32,813,348	327,675	16,293,337	186,024		14,310,949		1,361,947		333,416	
18.	Prior year (uncollected + deferred and accrued - advance)	7,674,294		4,806,984			2,403,613		470,047		(6,350)	
19.	Renewal premiums and considerations:											
19.1	Direct	19,777,283	626,349	12,187,909	186,024		3,379,465		3,058,525		339,011	
19.2	Reinsurance assumed	21,783,020	1,041,276	3,679,072			16,708,920		352,998		755	
19.3	Reinsurance ceded	16,421,250	1,339,951	4,380,627			8,181,049		2,519,623			
19.4	Net (Line 17 - Line 18)	25,139,054	327,675	11,486,353	186,024		11,907,336		891,900		339,766	
TOTAL												
20.	TOTAL premiums and annuity considerations:											
20.1	Direct	22,431,532	626,296	14,767,633	260,602		3,379,465		3,058,525		339,011	
20.2	Reinsurance assumed	22,052,765	1,041,276	3,948,816			16,708,920		352,998		755	
20.3	Reinsurance ceded	17,776,439	1,339,951	5,735,816			8,181,049		2,519,623			
20.4	Net (Lines 9.4 + 10.4 + 19.4)	26,707,858	327,621	12,980,633	260,602		11,907,336		891,900		339,766	

EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS
AND EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (Direct Business Only)

		1	2	Ordinary		5	Group		Accident and Health			11
				3	4		6	7	8	9	10	
		Total	Industrial Life	Life Insurance	Individual Annuities	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other	Aggregate of All Other Lines of Business
DIVIDENDS AND COUPONS APPLIED (included in Part 1)												
21.	To pay renewal premiums	16,184		16,184								
22.	All other	298,929		298,929								
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED												
23.	First year (other than single):											
23.1	Reinsurance ceded											
23.2	Reinsurance assumed											
23.3	Net ceded less assumed											
24.	Single:											
24.1	Reinsurance ceded											
24.2	Reinsurance assumed											
24.3	Net ceded less assumed											
25.	Renewal:											
25.1	Reinsurance ceded	5,789,008	1,275,338	3,536,707			448,514		528,449			
25.2	Reinsurance assumed	1,158,697		449,358			568,231		141,108			
25.3	Net ceded less assumed	4,630,311	1,275,338	3,087,349			(119,717)		387,341			
26.	TOTALS:											
26.1	Reinsurance ceded (Page 6, Line 6)	5,789,008	1,275,338	3,536,707			448,514		528,449			
26.2	Reinsurance assumed (Page 6, Line 22)	1,158,697		449,358			568,231		141,108			
26.3	Net ceded less assumed	4,630,311	1,275,338	3,087,349			(119,717)		387,341			
COMMISSIONS INCURRED (direct business only)												
27.	First year (other than single)	1,488,434		1,484,244	3,568						622	
28.	Single	192,376		181,062	11,314							
29.	Renewal	611,809	18,834	248,852	3,354		219,021		107,466		14,282	
30.	Deposit-type contract funds											
31.	TOTALS (to agree with Page 6, Line 21)	2,292,619	18,834	1,914,158	18,236		219,021		107,466		14,904	

EXHIBIT 2 - GENERAL EXPENSES

		Insurance				5	6
		1	Accident and Health		4 All Other Lines of Business		
			2	3			
			Cost	All			
		Life	Containment	Other		Investment	Total
1.	Rent	1,375,001		191,966		3,760	1,570,726
2.	Salaries and wages	5,541,643		988,993		85,363	6,615,999
3.11	Contributions for benefit plans for employees	788,758		77,588		12,649	878,995
3.12	Contributions for benefit plans for agents						
3.21	Payments to employees under non-funded benefit plans						
3.22	Payments to agents under non-funded benefit plans						
3.31	Other employee welfare	45,113		5,711		40,033	90,857
3.32	Other agent welfare						
4.1	Legal fees and expenses	269,072		59,172		5,916	334,160
4.2	Medical examination fees	104,978		7,033			112,011
4.3	Inspection report fees						
4.4	Fees of public accountants and consulting actuaries	441,106		162,567		319	603,992
4.5	Expense of investigation and settlement of policy claims	47,565		473		57	48,095
5.1	Traveling expenses	60,606		13,296		5,848	79,749
5.2	Advertising	182,741		10,619		36	193,396
5.3	Postage, express, telegraph and telephone	524,631		29,150		11,840	565,621
5.4	Printing and stationery	232,334		12,492		10,737	255,562
5.5	Cost or depreciation of furniture and equipment	8,148		356		1	8,505
5.6	Rental of equipment	217,273		32,074		5,069	254,416
5.7	Cost or depreciation of EDP equipment and software	301,594		14,766			316,360
6.1	Books and periodicals	23,561		6,307		2,708	32,576
6.2	Bureau and association fees	22,863		5,745		67	28,676
6.3	Insurance, except on real estate	10,689		1,271		176	12,136
6.4	Miscellaneous losses	(1,680)		(77,468)		603	(78,545)
6.5	Collection and bank service charges	129,490		55,799		61,911	247,200
6.6	Sundry general expenses	764,729		64,645		44,859	874,233
6.7	Group service and administration fees	255,443		335,248			590,691
6.8	Reimbursements by uninsured plans						
7.1	Agency expense allowance						
7.2	Agents' balances charged off (less \$.....0 recovered)						
7.3	Agency conferences other than local meetings	32,778		5,646			38,424
9.1	Real estate expenses	142,709		17,314		55,075	215,098
9.2	Investment expenses not included elsewhere						
9.3	Aggregate write-ins for expenses						
10.	General expenses Incurred	11,521,143		2,020,762		347,027	(a)..... 13,888,932
11.	General expenses unpaid December 31, prior year	333,430		505,307		78,205	916,942
12.	General expenses unpaid December 31, current year	101,649		364,251		(4,667)	461,233
13.	Amounts receivable relating to uninsured plans, prior year						
14.	Amounts receivable relating to uninsured plans, current year						
15.	General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14)	11,752,924		2,161,818		429,899	14,344,641
DETAILS OF WRITE-INS							
09.301.	.....					
09.302.	.....					
09.303.	.....					
09.398.	Summary of remaining write-ins for Line 9.3 from overflow page						
09.399.	TOTALS (Lines 09.301 through 09.303 plus 09.398) (Line 9.3 above)						

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

		Insurance			4	5
		1	2	3		
		Life	Accident and Health	All Other Lines of Business	Investment	Total
1.	Real estate taxes				4,475	4,475
2.	State insurance department licenses and fees	145,921	29,623		38	175,582
3.	State taxes on premiums	523,321	88,830			612,151
4.	Other state taxes, incl. \$.....0 for employee benefits	11,319	1,114		187	12,620
5.	U.S. Social Security taxes	469,836	46,195		7,535	523,567
6.	All other taxes	21,697	3,563		79	25,339
7.	Taxes, licenses and fees incurred	1,172,094	169,325		12,314	1,353,733
8.	Taxes, licenses and fees unpaid December 31, prior year	208,732	(233,791)		(63)	(25,122)
9.	Taxes, licenses and fees unpaid December 31, current year	8,735	69,891		100	78,726
10.	Taxes, licenses and fees paid during year (Lines 7 + 8 - 9)	1,372,091	(134,357)		12,151	1,249,885

EXHIBIT 4 - DIVIDENDS OR REFUNDS

		1	2
		Life	Accident and Health
1.	Applied to pay renewal premiums	15,970	
2.	Applied to shorten the endowment or premium-paying period		
3.	Applied to provide paid-up additions	298,929	
4.	Applied to provide paid-up annuities		
5.	Total (Lines 1 through 4)	314,899	
6.	Paid-in cash	53,152	
7.	Left on deposit	84,597	
8.	Aggregate write-ins for dividend or refund options		
9.	Total (Lines 5 through 8)	452,648	
10.	Amount due and unpaid		
11.	Provision for dividends or refunds payable in the following calendar year		
12.	Terminal dividends		
13.	Provision for deferred dividend contracts		
14.	Amount provisionally held for deferred dividend contracts not included in line 13		
15.	Total (Lines 10 through 14)		
16.	Total from prior year	549,346	
17.	Total dividends or refunds (Lines 9 + 15 - 16)	(96,698)	
DETAILS OF WRITE-INS			
0801.	.....	
0802.	.....	
0803.	.....	
0898.	Summary of remaining write-ins for Line 8 from overflow page		
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)		

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
Life Insurance (Gross)					
1912STDI 3.50% CRVM	13,148		13,148		
1912STDILV3.50A					
1941 SI 3.00% CRVM					
1941 SI 3.00% NET					
1941 SI 3.50% CRVM					
1941 SI 3.50% NET					
1941CET 2.50% CRVM	431,991		431,991		
1941CET 3.00% CRVM	363,634		363,634		
1941CET 3.00% NET	155		155		
1941CET 3.50% CRVM	261		261		
1941CET 3.50% NET					
1941CIET 2.50% CRVM	320,476	320,476			
1941CIET 2.50% ILL. STD.	46,055	46,055			
1941CIET 2.50% NET	22,214	22,214			
1941CIET 3.00% CRVM	72,107	72,107			
1941CIET 3.00% FTP	5,256	5,256			
1941CIET 3.00% NET	28,798	28,798			
1941CIET 3.50% CRVM	246	246			
1941CIET 3.50% NET	10,683	10,683			
1941CSO 2.50% CRVM	3,425,051		3,425,051		
1941CSO 2.50% NET	36,446		36,446		
1941CSO 3.00% CRVM	3,736,496		3,736,496		
1941CSO 3.00% ILL. STD.	167,341		167,341		
1941CSO 3.00% NET	314,664		314,664		
1941CSO 3.50% CRVM	320,850		320,850		
1941CSO 4.00% CRVM	15,230		15,230		
1941CSO 5.00% CRVM					
1941SI 2.50% CRVM	2,251,669	2,240,078	11,591		
1941SI 2.50% ILL. STD.	269,373	269,373			
1941SI 2.50% NET	128,341	128,341			
1941SI 3.00% CRVM	1,187,763	1,180,209	7,554		
1941SI 3.00% FTP	60,746	60,746			
1941SI 3.00% NET	409,000	212,955	196,045		
1941SI 3.50% CRVM	6,438	1,168	5,270		
1941SI 3.50% NET	341,754	337,075	4,679		
1941SSI 2.50% CRVM	5,080,405	5,080,405			
1941SSI 2.50% NET	3,070,435	3,070,435			
1941SSI 3.00% CRVM	723,231	717,336	5,895		
1941SSI 3.00% FTP	4,506	4,506			
1941SSI 3.00% NET	107,450	105,342	2,109		
1941SSI 3.50% CRVM	1,520,398	1,519,062	1,336		
1941SSI 3.50% ILL. STD.					
1941SSI 3.50% ILL. STD.	8,512	8,512			
1941SSI 4.50% CRVM	3,172	3,172			
1941SSI 5.00% CRVM	6,527	6,527			
1941SSI3 2.50% CRVM	342,755	342,755			
1941SSI3 2.50% NET	31,757	31,757			
1941SSI3 3.00% CRVM	71,263	71,263			
1941SSI3 3.00% NET	600	600			
1941SSIT 2.50% CRVM	2,079	2,079			
1941SSIT 3.00% CRVM	3,824	3,824			
1941SSIT 3.50% CRVM	85,726	85,726			
1958CET 2.50% CRVM	1,800,918	1,877	1,799,041		
1958CET 2.50% MOD	175,031		175,031		
1958CET 3.00% CRVM	859,732		859,732		
1958CET 3.00% NET	19,541		19,541		
1958CET 3.50% CRVM	20,199		20,199		
1958CET 3.50% NET	9,885		9,885		
1958CET 4.00% CRVM	91,363		91,363		
1958CET 4.50% CRVM	698,881		698,881		
1958CET 5.50% CRVM	2,463		2,463		
1958CET 4.50% MOD	100,002		100,002		
1958CET3 2.50% MOD	3,315,308		3,315,308		
1958CET3 3.00% CRVM	250,016		250,016		
1958CET3 3.00% NET	74,145		74,145		
1958CET3 4.00% NET	32,593		32,593		
1958CETJ 4.00% CRVM	30,723		30,723		
1958CSO 2.50% CRVM	9,554,648		9,554,648		
1958CSO 2.50% MOD	869,989		869,989		
1958CSO 2.50% NET	39,359		39,359		
1958CSO 3.00% CRVM	12,118,594	817	12,117,778		
1958CSO 3.00% ILL. STD.	9,863		9,863		
1958CSO 3.00% NET	465,196		465,196		
1958CSO 3.50% CRVM	1,259,122		1,259,122		
1958CSO 3.50% NET	50,843		50,843		
1958CSO 4.00% CRVM	285,436		285,436		
1958CSO 4.50% CRVM	5,757,391	82,768	5,674,623		
1958CSO 4.50% MOD	910,696		910,696		
1958CSO 4.50% NET	1,728		1,728		
1958CSO 5.50% CRVM	5,639		5,639		
1958CSO3 2.50% MOD	14,090,372		14,090,372		
1958CSO3 3.00% NET	103,469		103,469		
1958CSO3 4.00% NET	274,262		274,262		
1958CSOJ 3.00% CRVM	3,136		3,136		
1958CSOJ 3.00% NET	676		676		
1958CSOJ 3.50% CRVM	53,169		53,169		
1958CSOJ 4.00% CRVM	256,712		256,712		
1958CSOL 3.50% CRVM	1,374,896		1,374,896		
1958CSOL 3.50% NET	592,021		592,021		
1961CIET 2.50% CRVM	110,597	110,597			
1961CIET 3.00% CRVM	4,148,327	4,143,485	4,842		
1961CIET 3.00% NET	90,870	90,870			
1961CIET 3.50% NET	88,584	88,584			
1961CIET 4.00% CRVM	12,043	12,043			
1961CSET 3.00% CRVM	14,508	14,508			
1961CSET 3.50% CRVM	125,903	125,903			
1961CSET 3.50% ILL. STD.	201	201			
1961CSET 4.00% CRVM	50,904	50,904			
1961CSET 5.00% CRVM	1,700	1,700			
1961CSET 5.50% CRVM	380	380			
1961CSET 6.00% CRVM	4,694	4,694			

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
1961CSI 2.50% CRVM	332,536	332,536			
1961CSI 3.00% CRVM	11,033,986	11,024,503	9,482		
1961CSI 3.00% ILL. STD.	1,988		1,988		
1961CSI 3.00% NET	337,164	304,516	32,648		
1961CSI 3.50% CRVM	1,824,409	1,824,409			
1961CSI 3.50% ILL. STD.	1,871	1,871			
1961CSI 3.50% NET	331,653	331,653			
1961CSI 4.00% CRVM	1,099,985	1,099,985			
1961CSI 4.00% NET	31,383	31,383			
1961CSI 4.50% CRVM	11,029	11,029			
1961CSI 5.00% CRVM	5,437	5,437			
1961CSI 5.50% CRVM	10,464	10,464			
1961CSI 6.00% CRVM	80,954	80,954			
1961CSIT 3.00% CRVM	34,758	34,758			
1961CSIT 3.50% CRVM	2,133	2,133			
1961CSIT 4.00% CRVM	7,071	7,071			
1961CSIT 4.50% CRVM	2,338	2,338			
1961CSIT 5.00% CRVM	389	389			
1980CET 4.00% CRVM	356,048		356,048		
1980CET 4.50% CRVM	28,757		28,757		
1980CET 5.00% CRVM	1,564,546	315	1,564,232		
1980CET 5.50% CRVM	3,927		3,927		
1980CET 6.00% CRVM	573		573		
1980CET 5.50% NET	83,587		83,587		
1980CETB 4.75% CRVM	4,027		4,027		
1980CETL 4.00% CRVM	180,611		180,611		
1980CETL 4.50% CRVM	1,871,143		1,871,143		
1980CETL 5.00% CRVM	973,882		973,882		
1980CETL 5.50% CRVM	11,129		11,129		
1980CETN 4.50% CRVM	165,696		165,696		
1980CETP 4.00% CRVM	11,370		11,370		
1980CETP 4.50% CRVM	20,003		20,003		
1980CETP 5.50% CRVM	3,903		3,903		
1980CETS 4.50% CRVM	15,914		15,914		
1980CSJL 5.00% CRVM	3,105		3,105		
1980CSO 3.00% CRVM	20,860		20,860		
1980CSO 4.00% CRVM	1,633,214		1,633,214		
1980CSO 4.00% NET	670		670		
1980CSO 4.50% CRVM	829,622		829,622		
1980CSO 4.75% CRVM					
1980CSO 5.00% CRVM	10,472,403		10,472,403		
1980CSO 5.00% NET					
1980CSO 5.50% CRVM	127,192		127,192		
1980CSO 5.50% NET	480,023		480,023		
1980CSO 6.00% CRVM	25,019		25,019		
1980CSO 6.00% NET	701		701		
1980CSOB 4.75% CRVM	26,592		26,592		
1980CSOC 4.75% CRVM	1,189		1,189		
1980CSOJ 5.00% CRVM	5,286		5,286		
1980CSOL 3.00% CRVM	25,876		25,876		
1980CSOL 3.50% CRVM	1,261		1,261		
1980CSOL 4.00% CRVM	4,304,383		4,304,383		
1980CSOL 4.00% NET					
1980CSOL 4.50% CRVM	17,915,699		17,663,949		251,750
1980CSOL 4.50% MOD	455		455		
1980CSOL 5.00% CRVM	9,645,806		9,645,806		
1980CSOL 5.00% MOD	4,779		4,779		
1980CSOL 5.25% CRVM					
1980CSOL 5.50% CRVM	263,632		263,632		
1980CSON 4.00% CRVM	1,151,936		1,151,936		
1980CSON 4.50% CRVM	5,453,080		5,453,080		
1980CSON 5.00% CRVM	780		780		
1980CSOS 4.50% CRVM	447,999		447,999		
1980CSSN 4.50% CRVM	426,956		426,956		
A.E.C. 3.00% CRVM	4,325	4,325			
A.E.C. 3.50% CRVM	5,023	5,023			
A.E.C. 3.50% ILL STD.					
A.E.C. 4.00% CRVM	127,314	127,314			
A.E.C. 3.00% FTP	234,052	234,052			
A.E.C. 3.00% ILL. STD.	5,693		5,693		
A.E.C. 3.00% NET	1,256,953	91,763	1,165,190		
A.E.C. 3.50% FTP	374,857	374,857			
A.E.C. 3.50% ILL. STD.	260,605	255,459	5,146		
A.E.C. 3.50% NET	411,728	158,476	253,252		
A.E.C. 4.00% NET	175,716	175,716			
SSI 3.50% FTP	4,316,953	4,316,953			
Unearned Premium					
Var Mort. Tables & Int rates					
0199997 Subtotal - Life Insurance (Gross)	166,141,951	41,568,091	124,322,110		251,750
0199998 Reinsurance Ceded	43,545,765	40,867,135	2,678,630		
0199999 Totals - (Net)	122,596,186	700,956	121,643,480		251,750
Annuities (excluding supplementary contracts with life contingencies (Gross))					
1937 SA 2.50%	43,355	X X X	43,355	X X X	
1971 IAM 4.50% CARVM	218,660	X X X	218,660	X X X	
1971 IAM 4.50% CARVM	134,955	X X X	134,955	X X X	
1971 IAM 4.75% CARVM	109,942	X X X	109,942	X X X	
1971 IAM 5.00% CARVM	141,261	X X X	141,261	X X X	
1971 IAM 5.25% CARVM	199,079	X X X	199,079	X X X	
1971 IAM 5.50% CARVM	412,423	X X X	412,423	X X X	
1971 IAM 5.75% CARVM	142,468	X X X	142,468	X X X	
1971 IAM 6.00% CARVM	16,981	X X X	16,981	X X X	
1971 IAM 6.25% CARVM	111,533	X X X	111,533	X X X	
1971 IAM 6.50% CARVM	198,158	X X X	198,158	X X X	
1971 IAM 6.75% CARVM	45,284	X X X	45,284	X X X	
1971 IAM 7.00% CARVM	77,783	X X X	77,783	X X X	
1971 IAM 7.25% CARVM	189,321	X X X	189,321	X X X	
1971 IAM 8.50% CARVM	434,535	X X X	434,535	X X X	
0299997 Subtotal - Annuities (excluding supplementary contracts with life contingencies (Gross))	2,475,738	X X X	2,475,738	X X X	
0299998 Reinsurance Ceded		X X X		X X X	

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1	2	3	4	5	6
Valuation Standard	Total	Industrial	Ordinary	Credit (Group and Individual)	Group
0299999 Totals - (Net)	2,475,738	X X X	2,475,738	X X X	
Supplementary Contracts with Life Contingencies (Gross)					
1971 IAM 4.00%	2,372		2,372		
0399997 Subtotal - Supplementary Contracts with Life Contingencies (Gross)	2,372		2,372		
0399998 Reinsurance Ceded					
0399999 Totals - (Net)	2,372		2,372		
Accidental Death Benefits (Gross)					
1926-33 ICDI 1941 CSO 3.00%	1,271		1,271		
1959 ADB 1958 CSO 3.00%	250,188		250,188		
1959 ADB 1958 CSO 4.50%	30,934		30,934		
0499997 Subtotal - Accidental Death Benefits (Gross)	282,393		282,393		
0499998 Reinsurance Ceded	128,188		128,188		
0499999 Totals - (Net)	154,205		154,205		
Disability-Active Lives (Gross)					
1926 Class 3 Dis. 1941 CSO 3.00%	1,024		1,024		
1952 Dis. Study 1958 CSO 3.00%	179,414	4,431	174,983		
1980 CSO non-smoker 1980CSON 3.00%					
0599997 Subtotal - Disability-Active Lives (Gross)	180,438	4,431	176,007		
0599998 Reinsurance Ceded	13,690	4,431	9,259		
0599999 Totals - (Net)	166,748		166,748		
Disability-Disabled Lives (Gross)					
1926 Class 3 Dis. 2.50%	961		961		
1952 Dis. Study, Period 2 2.50%	382,835		382,835		
1958 CSO 2.50%	98,576		2,187		96,389
70 Mod Interco GLDV Tbl 3.50%					
70 Mod Interco GLDV Tbl 4.00%					
70 Mod Interco GLDV Tbl 4.50%					
70 Mod Interco GLDV Tbl 5.00%					
70 Mod Interco GLDV Tbl 5.50%					
70 Mod Interco GLDV Tbl 6.00%					
0699997 Subtotal - Disability-Disabled Lives (Gross)	482,372		385,983		96,389
0699998 Reinsurance Ceded	43,629				43,629
0699999 Totals - (Net)	438,743		385,983		52,760
Miscellaneous Reserves (Gross)					
For excess of valuation net premiums over corresponding gross premiums on respective policies policies computed according to the standard of valuation required by this state					
For non-deduction of deferred fractional premiums or return of premiums at the death of the insured	713,823	32,974	680,849		
For surrender values in excess of reserves otherwise required and carried in this schedule					
0799997 Subtotal - Miscellaneous Reserves (Gross)	713,823	32,974	680,849		
0799998 Reinsurance Ceded	247,404	29,962	217,442		
0799999 Totals - (Net)	466,419	3,012	463,407		
9999999 Totals - (Net) -Page 3, Line 1	126,300,412	703,969	125,291,933		304,510

EXHIBIT 5 - INTERROGATORIES

1.1 Has the reporting entity ever issued both participating and non-participating contracts?

Yes[X] No[]

1.2 If not, state which kind is issued.

2.1 Does the reporting entity at present issue both participating and non-participating contracts?

Yes[X] No[]

2.2 If not, state which kind is issued.

3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements?
If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.

Yes[X] No[]

4. Has the reporting entity any assessment or stipulated premium contracts in force?
If so, state:

Yes[] No[X]

4.1 Amount of insurance?

\$ 0

4.2 Amount of reserve?

\$ 0

4.3 Basis of reserve

4.4 Basis of regular assessments

4.5 Basis of special assessments

4.6 Assessments collected during the year

\$ 0

5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts

6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis?

Yes[] No[X]

6.1 If so, state the amount of reserve on such contracts on the basis actually held:

\$ 0

6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1, and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits:
Attach statement of methods employed in their valuation.

\$ 0

7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year?

Yes[] No[X]

7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements?

\$ 0

7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount

7.3 State the amount of reserves established for this business:

\$ 0

7.4 Identify where the reserves are reported in the blank

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1	Valuation Basis		4
	2	3	
Description of Valuation Class	Changed From	Changed To	Increase in Actuarial Reserve Due to Change
9999999 Total (Column 4 Only)

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1	2	3	4	Other Individual Contracts				
					5	6	7	8	9
	Total	Group Accident and Health	Credit Accident and Health (Group and Individual)	Collectively Renewable	Non- Cancelable	Guaranteed Renewable	Non-Renewable for Stated Reasons Only	Other Accident Only	All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves	14,979				170	2,804			12,005
2. Additional contract reserves (a)	60,177				9,762	49,108			1,307
3. Additional actuarial reserves - Asset/Liability analysis	25,000					25,000			
4. Reserve for future contingent benefits									
5. Reserve for rate credits	235,023	235,023							
6. Aggregate write-ins for reserves									
7. Totals (Gross)	335,179	235,023			9,932	76,912			13,312
8. Reinsurance ceded									
9. TOTALS (NET)	335,179	235,023			9,932	76,912			13,312
CLAIM RESERVE									
10. Present value of amounts not yet due on claims	71,949	28,302				17,256			26,391
11. Additional actuarial reserves - Asset/Liability analysis									
12. Reserve for future contingent benefits									
13. Aggregate write-ins for reserves									
14. TOTALS (Gross)	71,949	28,302				17,256			26,391
15. Reinsurance ceded									
16. TOTALS (Net)	71,949	28,302				17,256			26,391
17. TOTAL (Net)	407,128	263,325			9,932	94,168			39,703
18. TABULAR FUND INTEREST	12,053	8,061			298	2,350			1,344
DETAILS OF WRITE-INS									
0601. Deficiency Premium Reserve									
0602.									
0603.									
0698. Summary of remaining write-ins for Line 6 from overflow page									
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)									
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page									
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)									

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.:

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1	2	3	4	5	6
	Total	Guaranteed Interest Contracts	Annuities Certain	Supplemental Contracts	Dividend Accumulations or Refunds	Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance	2,725,605	.....	.....	91,318	2,622,902	11,385
2. Deposits received during the year	87,294	.....	.....	.....	87,222	72
3. Investment earnings credited to the account	62,632	.....	.....	18	62,614	.....
4. Other net change in reserves .....	.....	.....	.....	.....	.....	.....
5. Fees and other charges assessed .....	.....	.....	.....	.....	.....	.....
6. Surrender charges .....	.....	.....	.....	.....	.....	.....
7. Net surrender or withdrawal payments	177,355	.....	.....	172	175,437	1,746
8. Other net transfers to or (from) Separate Accounts .....	.....	.....	.....	.....	.....	.....
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8)	2,698,176	.....	.....	91,164	2,597,301	9,711
10. Reinsurance balance at the beginning of the year .....	.....	.....	.....	.....	.....	.....
11. Net change in reinsurance assumed .....	.....	.....	.....	.....	.....	.....
12. Net change in reinsurance ceded .....	.....	.....	.....	.....	.....	.....
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12) .....	.....	.....	.....	.....	.....	.....
14. Net balance at the end of current year after reinsurance (Lines 9 + 13)	2,698,176	.....	.....	91,164	2,597,301	9,711

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

16

		1	2	Ordinary			6	Group		Accident and Health		
				3	4	5		7	8	9	10	11
		Total	Industrial Life	Life Insurance	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance	Annuities	Group	Credit (Group and Individual)	Other
1.	Due and Unpaid:											
	1.1 Direct	3,443,203	2,645,660	677,543						120,000		
	1.2 Reinsurance assumed	1,846,299	20,898	91,494				1,733,907				
	1.3 Reinsurance ceded	3,039,846	1,616,468	11,571				1,411,808				
	1.4 Net	2,249,656	1,050,090	757,466				322,099		120,000		
2.	In course of settlement:											
	2.1 Resisted:											
	2.11 Direct											
	2.12 Reinsurance assumed											
	2.13 Reinsurance ceded											
	2.14 Net			(b)	(b)		(b)	(b)				
	2.2 Other:											
	2.21 Direct	1,400,825	163,570	860,644				194,850		168,286		13,475
	2.22 Reinsurance assumed	1,476,460	32,939	236,284				1,207,237				
	2.23 Reinsurance ceded	1,545,144	130,292	354,517				896,745		163,590		
	2.24 Net	1,332,141	66,217	(b) 742,412	(b)		(b)	(b) 505,342		(b) 4,696	(b)	(b) 13,475
3.	Incurred but unreported:											
	3.1 Direct	358,403	40,173	396,453				(199,605)		35,290		86,092
	3.2 Reinsurance assumed	1,706,545	66,993	332,064				1,307,488				
	3.3 Reinsurance ceded	1,606,113	100,466	316,012				1,164,932		24,703		
	3.4 Net	458,835	6,700	(b) 412,505	(b)		(b)	(b) (57,049)		(b) 10,587	(b)	(b) 86,092
4.	TOTALS:											
	4.1 Direct	5,202,431	2,849,403	1,934,640				(4,755)		323,576		99,567
	4.2 Reinsurance assumed	5,029,304	120,830	659,842				4,248,632				
	4.3 Reinsurance ceded	6,191,103	1,847,226	682,099				3,473,485		188,293		
	4.4 Net	4,040,632	(a) 1,123,007	(a) 1,912,383				(a) 770,392		135,283		99,567

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$.....0 in Column 2, \$.....0 in Column 3 and \$.....0 in Column 7.
(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0, are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0 are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

		1	2	Ordinary			6	Group		Accident and Health		
				3	4	5		7	8	9	10	11
		Total	Industrial Life (a)	Life Insurance (b)	Individual Annuities	Supplementary Contracts	Credit Life (Group and Individual)	Life Insurance (c)	Annuities	Group	Credit (Group and Individual)	Other
1.	Settlements during the year:											
1.1	Direct	13,352,662	1,236,751	6,292,763				2,752,925		2,718,693		351,530
1.2	Reinsurance assumed	18,907,477	685,788	3,068,896				15,152,885		(92)		
1.3	Reinsurance ceded	10,436,932	1,275,593	2,893,419				3,647,614		2,620,306		
1.4	Net	(d) 21,823,207	646,946	6,468,240				14,258,196		98,295		351,530
2.	Liability December 31, current year from Part 1:											
2.1	Direct	5,202,431	2,849,403	1,934,640				(4,755)		323,576		99,567
2.2	Reinsurance assumed	5,029,304	120,830	659,842				4,248,632				
2.3	Reinsurance ceded	6,191,103	1,847,226	682,099				3,473,485		188,293		
2.4	Net	4,040,632	1,123,007	1,912,383				770,392		135,283		99,567
3.	Amounts recoverable from reinsurers December 31, current year	1,404,568	263,841	147,233				85,450		908,044		
4.	Liability December 31, prior year:											
4.1	Direct	6,568,374	3,322,489	2,395,183				484,941		271,212		94,549
4.2	Reinsurance assumed	4,967,904		744,674				4,223,230				
4.3	Reinsurance ceded	3,076,876	1,652,113	554,326				685,329		185,108		
4.4	Net	8,459,402	1,670,376	2,585,531				4,022,842		86,104		94,549
5.	Amounts recoverable from reinsurers December 31, prior year	1,523,226	238,994	34,923						1,249,309		
6.	Incurred benefits:											
6.1	Direct	11,986,719	763,665	5,832,220				2,263,229		2,771,057		356,548
6.2	Reinsurance assumed	18,968,877	806,618	2,984,064				15,178,287		(92)		
6.3	Reinsurance ceded	13,432,501	1,495,553	3,133,502				6,521,220		2,282,226		
6.4	Net	17,523,095	74,730	5,682,782				10,920,296		488,739		356,548

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....291,567 in Line 1.1, \$.....261,147 in Line 1.4, \$.....22,058 in Line 6.1 and \$.....(296,888) in Line 6.4.
(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....69,440 in Line 1.1, \$.....79,844 in Line 1.4, \$.....44,586 in Line 6.1 and \$.....63,597 in Line 6.4.
(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in Line 6.4.
(d) Includes \$.....(229,263) premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens	106,467	130,013	23,546
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale		18,840	18,840
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans	24,632	206,235	181,603
7.	Other invested assets (Schedule BA)	33,182	33,182	
8.	Receivables for securities			
9.	Aggregate write-ins for invested assets			
10.	Subtotals, cash and invested assets (Lines 1 to 9)	164,281	388,270	223,989
11.	Title plants (for Title insurers only)			
12.	Invested income due and accrued	20,287	14,119	(6,168)
13.	Premium and considerations:			
13.1	Uncollected premiums and agents' balances in the course of collection			
13.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3	Accrued retrospective premiums			
14.	Reinsurance:			
14.1	Amounts recoverable from reinsurers			
14.2	Funds held by or deposited with reinsured companies			
14.3	Other amounts receivable under reinsurance contracts	4,198	3,736	(462)
15.	Amounts receivable relating to uninsured plans			
16.1	Current federal and foreign income tax recoverable and interest thereon	40,371		(40,371)
16.2	Net deferred tax asset	13,032,756	12,219,440	(813,316)
17.	Guaranty funds receivable or on deposit			
18.	Electronic data processing equipment and software	48,293	30,469	(17,824)
19.	Furniture and equipment, including health care delivery assets	3,972	5,175	1,203
20.	Net adjustment in assets and liabilities due to foreign exchange rates			
21.	Receivables from parent, subsidiaries and affiliates			
22.	Health care and other amounts receivable			
23.	Aggregate write-ins for other than invested assets	1,790,642	1,857,851	67,209
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	15,104,800	14,519,060	(585,740)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26.	Total (Lines 24 and 25)	15,104,800	14,519,060	(585,740)
DETAILS OF WRITE-INS				
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page			
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
2301.	ADVANCES TO AGENTS	615,608	532,221	(83,387)
2302.	PREPAID RENT / EXPENSES	119,805	144,582	24,777
2303.	A/R SE DURHAM DEVELOPMENT CORP	91,063	91,063	
2398.	Summary of remaining write-ins for Line 23 from overflow page	964,167	1,089,985	125,818
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,790,642	1,857,851	67,209

Notes to Financial Statements

1. Summary of Significant Accounting Policies

- A. The financial statements of North Carolina Mutual Life Insurance Company (“Company” or “NCM”) have been completed in accordance with the National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual. The State of North Carolina Department of Insurance (“NCDOP”) recognizes only statutory accounting practices prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under North Carolina General Statutes. The NAIC Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the State of North Carolina.

- B. Use of Estimates in the Preparation of the Financial Statements.

The preparation of the financial statements in conformity with Statements of Statutory Accounting Principles (SSAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

- C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Beginning in 2005, reinsurance treaties not conforming to the requirements of SSAP No. 61, *Life, Deposit-Type and Accident and Health Insurance*, and Appendix A-791, *Life and Health Reinsurance Agreements*, utilize deposit accounting (see Note 2A). Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company’s Board of Directors. The aggregate amount of policyholders’ dividends is related to actual interest, mortality, morbidity and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Non-investment grade bonds and loan-backed and structured securities with a NAIC designation of “6” are reported at the lower of amortized cost or fair value; investment grade bonds are reported at amortized cost.
3. Common stocks are stated at market.
4. Preferred stocks are stated at cost, redeemable preferred stocks with NAIC designations 4 to 6 are reported at the lower of cost, amortized cost, or fair value and perpetual preferred stocks with a NAIC designation of 4 to 6 are reported at the lower of cost or fair value.
5. Mortgage loans on real estate are stated at the aggregate unpaid balance.
6. Loan-backed and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase, except for those with an NAIC designation of 6 which shall be reported at the lower of amortized cost or fair value.
7. On a quarterly basis, the Company reviews individual instances within its debt and equity portfolios for unrealized losses and makes a judgment whether the decline in fair value is deemed to be “other than temporary.”
8. The Company owns 10.55% interest in Piedmont Investment Advisors, LLC, an investment advisory service company. The security is recorded using the equity method as prescribed in SSAP No. 97.
9. The Company has no derivatives.
10. The investment income was not used as a factor in the premium deficiency calculation.
11. The triangle development method was used to estimate the liabilities including claim expenses for accident and health contracts.
12. Policy loans are stated at the aggregate unpaid balance.
13. The Company uses straight-line depreciation for all of its real estate holdings with lives varying depending upon the type of building.
14. Company occupied investment real estate and properties held for the production of income are stated at depreciated cost less encumbrances. Properties held for sale are reported at lower of cost or depreciated value.
15. The Company reports cash surrender value of life insurance on certain officers net of related policy loans. Policy loans were \$5,417,513 as of December 31, 2009 and \$4,670,041 as of December 31, 2008.

Notes to Financial Statements

2. Accounting Changes and Corrections of Errors

Not applicable.

3. Business Combinations and Goodwill

Not applicable.

4. Discontinued Operations

Not applicable.

5. Investments

A. Mortgage Loans

1. The maximum and minimum lending rates for mortgage loans established during 2009 were:
- | | |
|-------------|----------|
| Residential | No Loans |
| Commercial | 6.95% |

2. During 2009, the Company had no reduction in the interest rates of outstanding loans.

3. The maximum percentage of any one real estate mortgage loan to the appraised value of the underlying collateral at the time of the loan was 75%.

	<u>2009</u>	<u>2008</u>
4. As of these dates, the Company held mortgages with interest 180 days or more past due with a recorded investment, excluding accrued interest	\$246,526	\$ 277,362
Total interest due on mortgages with interest 180 days or more past due	\$20,287	\$14,119
5. Taxes, assessments and any amounts advanced and not included in the mortgage loan total	0	0
6. Current period/year impaired loans with a related allowance for credit losses	0	0
Related allowance for credit losses	0	0
7. Impaired mortgage loans without an allowance for credit losses	\$246,526	408,364
8.		
9. Average recorded investment in impaired loans	\$246,526	102,091
10. Interest income recognized during the period the loans were impaired	0	0
10. The amount of interest income recognized on a cash basis during the period the loans were impaired	0	0
11. Allowance for credit losses:		
a) Balance at beginning of period	\$ 0	\$63,040
b) Additions charged to operations	0	0
c) Direct write-downs charged against the allowances	0	0
d) Recoveries of amounts previously charged off	<u>0</u>	<u>(63,040)</u>
e) Balance at end of period	<u>\$ 0</u>	<u>\$ 0</u>

12. The Company recognizes interest income on its impaired loans upon receipt.

13. During the first quarter of 2009, the Company began foreclosure proceedings against loan holders in default of their promissory notes. In June 2009, the Company foreclosed two properties, valued at \$158,274. One of the foreclosed property was sold in third quarter 2009, and other is reflected as property held for sale.

- B. The Company has no invested assets that are restructured debt.

- C. The Company has no investments in reverse mortgages.

D. Loan-Back Securities

1. The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective method for securities purchased prior to that date.

Notes to Financial Statements

- 2. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer advices.
- 3. Loan-backed securities are reported at amortized cost, except those with an NAIC designation 6, which are reported at the lower of amortized cost or market value. The Company used Interactive Data Corporation in determining the market value of its loan-backed securities.

E. Repurchase Agreements
The Company has no investment in repurchase agreements.

- F. Real Estate
- 1. No impairment losses recorded on real estate investments during the statement periods.
 - 2. The Company sold one real estate property held for sale during the third quarter of 2009, generating \$52,755 in gain.
 - 3. The Company has no plans to change the status of real estate held for sale.
 - 4. The Company does not engage in retail land sale operations

G. Low-Income Housing Tax Credits
The Company has no investment in LIHTC

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Liability Companies that exceed 10% of its admitted assets.
- B. During 2009, the Company did not recognize any impairment write-down for its investments in Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:
- All investment income due and accrued on bonds in or near default, and other amounts that are over 90 days past due with the exception of mortgage loans in default, which are excluded when 180 days or more past due.
- B. The total amount of due and accrued interest excluded for the year ended December 31, 2009 was \$20,287.

8. Derivative Instruments

The Company does not have any derivative instruments.

9. Income Tax

- A. The components of the Net DTA recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2009			December 31, 2008
	Ordinary	Capital	Total	Total
Total gross deferred tax assets	\$13,848,073	\$1,126,170	\$14,974,243	\$14,184,351
Statutory valuation allowance adjustment	(11,911,962)	(1,120,795)	(13,032,756)	-
Total adjusted gross deferred tax asset	1,936,111	5,375	1,941,486	14,184,351
Total deferred tax liabilities	(1,936,111)	(5,375)	(1,941,486)	(1,964,911)
Net deferred tax asset/(liability)	-	-	-	12,219,440
Deferred tax assets nonadmitted	-	-	-	(12,219,440)
Net admitted deferred tax asset / (liability)	\$0	\$0	\$0	\$0
Increase (decrease) in nonadmitted asset	(12,219,440)	-	(12,219,440)	\$1,225,487

- (1) The Company has not elected to admit DTAs pursuant to paragraph 10.e.
- (2) As a result of the application of SSAP 10R, the ordinary admitted adjusted gross DTA increased in 2009 by \$ - and the capital admitted adjusted gross DTA increased by \$0.

Notes to Financial Statements

(3) Breakdown of the net admitted DTA:

	December 31, 2009		December 31, 2008	
	Ordinary	Capital	Total	Total
Can be recovered through loss carryback (Para. 10.a.)	-	-	-	-
Lesser of:				
Expected to be recognized within 1 year (Para. 10.b.i.)	-	-	-	-
10% of adjusted capital & surplus (Para. 10.b.ii.)	949,505	-	949,505	1,297,147
Adjusted gross DTAs offset against existing DTLs (Para. 10.c.)	1,936,111	5,375	1,941,486	1,964,911
Risk-based capital level used in Para. 10.d.				
Total adjusted capital	N/A			
Authorized control level	N/A			

Risk-based capital level for 2009 as a result of the application of SSAP 10R is N/A.

(4) The following amounts resulting from the calculations in Paragraphs 10.a., 10.b., and 10.c.:

Admitted DTAs	1,941,486
Admitted assets	153,573,384
Statutory surplus	6,381,665
Total adjusted capital	N/A

B. Unrecognized DTLs
Not applicable

C. Current Tax and Change in Deferred Tax

The provisions for income taxes incurred on earnings for the years ended December 31 are:

	2009	2008
Current income tax expense (benefit):		
Federal	\$ -	\$ -
Foreign	-	-
Realized capital gains tax		
Prior year underaccrual (overaccual)	-	-
Federal and foreign income taxes incurred	\$ -	\$ -

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2009		December 31, 2008	
	Ordinary	Capital	Total	Total
Deferred tax assets				
Reserves	\$ 1,908,374		\$ 1,908,374	\$ 1,989,728
Deferred Compensation	1,084,385		1,084,385	1,109,382
Deferred acquisition costs, net of accumulated amortization	1,578,348		1,578,348	1,626,699
Nonadmitted assets	704,495		704,495	774,406
Loading	1,112,042		1,112,042	866,026
Fixed assets	1,951		1,951	113,740
Other Than Temporary Impairments		642,466	642,466	
Unrealized capital losses		483,704	483,704	255,427
Policyholder dividends	-		-	186,778
Discounted A&H claim reserves	1,574		1,574	1,210
Net operating loss carryforward	6,635,428		6,635,428	6,814,811
Capital loss carryover		-	-	-
AMT credit carryfoward	160,275		160,275	160,275
Other	661,201		661,201	285,868
Total deferred tax assets	13,848,073	1,126,170	14,974,243	14,184,351
Valuation Allowance	(11,911,962)	(1,120,795)	(13,032,756)	
Nonadmitted deferred tax assets	-	-	-	(12,219,440)

Notes to Financial Statements

Admitted deferred tax assets	1,936,111	5,375	1,941,486	1,964,912
Deferred tax liabilities				
Deferred and uncollected premium	1,936,111		1,936,111	1,781,379
Unrealized capital gains		5,375	5,375	183,533
Total deferred tax liabilities	1,936,111	5,375	1,941,486	1,964,912
Net admitted deferred tax assets	\$ -	-	-	-

The change in net deferred income taxes is comprised of the following:

	December 31, 2009	December 31, 2008	Change
Total gross deferred tax assets	14,974,243	14,184,351	789,892
Total gross deferred tax liabilities	1,941,486	1,964,911	(23,425)
Net deferred tax asset	13,032,756	12,219,440	813,317
Deferred tax on change in net unrealized capital gains			(406,434)
Changes in net deferred income tax			\$406,883

Pursuant to Paragraph 6 of SSAP 10R, the Company is establishing a valuation allowance against its gross deferred tax assets.

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	December 31, 2009	Effective Tax Rate	December 31, 2008	Effective Tax Rate
Provision computed at statutory rate	(851,925)	34.0%	(1,914,765)	34.0%
Permanent differences:				
Tax-exempt Interest (net of amortization)	(663)	0.0%	(3,091)	0.1%
Gain on Reinsurance Transaction	(79,709)	3.2%	(75,641)	1.3%
Partnership Income (Loss)	-	0.0%	-	0.0%
Non-deductible Business Meals & Entertainment	13,250	-0.5%	18,412	-0.3%
Non-deductible Officers Life Insurance Premiums	79,735	-3.2%	79,673	-1.4%
Increase in Cash Surrender Value	(131,295)	5.2%	(90,205)	1.6%
IMR Amortization	(70,694)	2.8%	(73,201)	1.3%
Capital Gains Capitalized to the IMR	283,191	-11.3%	83,958	-1.5%
Decrease in Tax Reserves Policyholder share of Tax-exempt Interest	390	0.0%	2,159	0.0%
Penalties	21,172	-0.8%	13,021	-0.2%
Prior Year Tax Expense True-up	-	0.0%	-	0.0%
True-up for PY Perms	259,753	-10.4%	324,685	-5.8%
Change in nonadmitted assets	69,911	-2.8%	-	0.0%
Adjustment to Beginning Deferred	-	0.0%	47,578	-0.8%
Totals	(406,883)	16.2%	(\$1,587,417)	28.2%
Federal and foreign income taxes incurred	-	0.0%	-	0.0%
Prior year underaccrual	-	0.0%	-	0.0%
Current year tax benefit from NOL carryback	-	0.0%	-	0.0%
Change in net deferred income taxes	(813,317)	32.5%	(1,587,417)	28.2%
Change in unrealized gains/losses	406,434	-16.2%	-	0.0%
Total statutory income taxes	(406,883)	16.2%	(1,587,417)	28.2%

Notes to Financial Statements

E. Operating Loss and Tax Credit Carryforwards

- (1) At December 31, 2009, the Company has an operating loss carryforward of \$19,333,726. In addition, the Company has Alternative Minimum Tax credit carryforward of \$160,275.
- (2) At December 31, 2009, the Company has the following capital loss carryovers.

Year	Amount	Expiration
		-

- (3) The following is income tax expense for 2009 and 2008 that is available for recoupment in the event of future net losses:

Year	Amount
2009	\$0
2008	\$0

F. Consolidated Federal Income Tax Return

- (1) The Company's federal income tax return is consolidated with the following entities:
N/A

10. Information Concerning Parent, Subsidiaries and Affiliates
Not applicable.

11. Debt
The Company has no capital notes or debentures outstanding.
The Company does not have any reverse repurchase agreements.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plans

The Company has a defined benefit pension plan covering substantially all of its eligible employees and captive agents. The benefits are based on years of service and the employee’s final highest 5-year average compensation. Plan participants are entitled to monthly pension benefits beginning at normal retirement age (age 65) or the fifth anniversary of plan participation, if later. The Company’s funding and accounting policies are to contribute the minimum required amount that can be deducted for federal income tax purposes and to charge such contributions to expense in the year they are deductible for income tax purposes.

The following changes were made to the plan during 2007 and have been reflected at year end for these disclosures. An early retirement window was offered late in the year to active participants of the Retirement Plan who were at least age 52 as of December 31, 2007 with 20 or more years of service. Eighteen of the twenty-two eligible participants accepted the offering. This program provided two benefit enrichments; an unreduced, subsidized early commencement annuity (or alternatively an unsubsidized lump sum cashout) and an additional flat \$25,000 lump sum grant.

The Company uses a December 31 measurement date for its plans. The assets of the plan are maintained in a separate trust.

A summary of assets, obligations and assumptions of the Pension Plan is as follows as of December 31, 2009 and 2008:

	Pension Benefits	
	2009	2008
(1) Change in projected benefit obligation:		
a. Benefit obligation at beginning of year	\$8,283,642	\$8,990,977
b. Service cost	382,403	518,442
c. Interest cost	442,494	456,701
d. Contribution by plan participants	0	0
e. Actuarial (gain) loss	409,075	(884,759)
f. Foreign currency exchange rate changes	0	0
g. Benefits paid	(422,937)	(797,719)
h. Plan amendments	0	0

Notes to Financial Statements

i. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0
j. Projected benefit obligation at end of year	\$9,094,677	\$8,283,642
(2) Change in plan assets:		
a. Fair value of plan assets at beginning of year	\$7,791,712	\$9,829,735
b. Actual return on plan assets	1,194,180	(1,240,304)
c. Foreign currency exchange rate changes	0	0
d. Employer contribution	0	0
e. Plan participants' contributions	0	0
f. Benefits paid	(422,937)	(797,719)
g. Business combinations, divestitures, and settlements	0	0
h. Fair value of plan assets at end of year	\$8,562,955	\$7,791,712
(3) Funded status	(\$531,722)	(\$491,930)
a. Unamortized prior service cost (credit)	651,966	759,407
b. Unrecognized net (gain) or loss	1,146,662	1,569,439
c. Unrecognized net transition obligation (asset)	(1,474,473)	(2,044,483)
d. Net amount recognized - Prepaid assets or (accrued liabilities) at end of year	\$(207,567)	\$(207,567)
e. Intangible asset	\$0	\$0
(4) Projected benefit obligation for non-vested participants	\$419,338	\$367,543

(5) Components of net periodic benefit cost:		
a. Service cost	\$382,403	\$518,442
b. Interest cost	442,494	456,701
c. Expected return on plan assets	(451,558)	(587,722)
d. Amortization of unrecognized transition obligation or transition asset	(570,010)	(494,862)
e. Amortization of prior service cost	107,441	107,441
f. Amortization of actuarial (gain) loss	89,230	0
g. Amount of gain or loss recognized due to a settlement or curtailment	0	0
h. Total net periodic benefit cost (benefit)	\$(0)	\$(0)

(6) There was an accrued benefit liability of \$207,567 as of December 31, 2008 and 2007.

(7) Weighted-average assumptions used to determine benefit obligations as of December 31:	Current Year	Prior Year
a. Discount rate	6.00%	6.00%
b. Rate of compensation increase	4.25%	4.75%
c. Rate of return on plan assets	7.00%	7.00%

(8) Not applicable.

(9) Not applicable.

(10) Not applicable.

(11) As permitted by the SSAP's, the Company elected to accrue the incremental asset calculated as of January 1, 2001 as a component of net periodic pension cost in an amount each year such that the total net periodic pension cost was reduced to an amount not less than zero. Pension expense of \$0 and \$0 as recognized in 2009 and 2008 respectively because of the special termination benefits.

(12) Not applicable.

(13) Not applicable.

(14) Other than the settlement resulting in recognition of a pension expense of \$0 and \$0 n 2009 and 2008 respectively, no other significant changes occurred during 2009 or 2008.

Notes to Financial Statements

Amounts recognized in the statement of financial position consist of:	2009	2008
a. Prepaid benefit cost	0	0
b. Accrued benefit cost	\$(207,567)	\$(207,567)
c. Intangible assets	0	0
d. Accumulated other comprehensive income (additional minimum liability)	0	0
e. Net amount recognized at end of year	\$(207,567)	\$(207,567)

B. Deferred Compensation Plans

Beginning on February 1, 1987, the Company implemented executive salary continuation agreements with key executives as determined by the Board of Directors. The agreements provide for payments to be made over a ten-year period subsequent to the executive’s retirement, total disability, or death.

Beginning in February 1, 1987, the Company implemented retirement restoration plan benefits for key executive as determined by the Board of Directors. The plan provides for payments to be made over a ten-year period subsequent to the executive’s retirement, total disability, or death. Vesting of benefits occurs as follows:

Less than 5 years of service	0% vested
5 to 7 years of service	50% vested
8 or more years of service	100% vested

A summary of assets, obligations and assumptions of Deferred Compensation Plans are as follows as of December 31, 2009 and 2008:

	Pension Benefits		Other Benefits	
	2009	2008	2009	2008
(1) Change in benefit obligation:				
a. Benefit obligation at beginning of year	\$1,577,963	\$1,415,101	\$2,368,544	\$2,426,992
b. Service cost	17,298	134,493	48,548	232615
c. Interest cost	86,084	94,103	134,639	146,611
d. Contribution by plan participants	0	0	0	0
e. Actuarial gain (loss)	33,523	(103,062)	(86,576)	863
f. Foreign currency exchange rate changes	0	0	0	0
g. Benefits paid	(168,797)	(168,796)	(436,812)	(436,811)
h. Effects of curtailments, settlements and termination benefits	0	0		
i. Business combinations, divestitures, curtailments, settlements and special termination benefits	0	0	0	0
j. Benefit obligation at end of year	\$1,479,025	\$1,577,963	\$2,201,494	\$2,368,544
(2) Benefit obligation for non vested employees	\$0	\$0	\$371,260	\$223,310

(3) Change in plan assets:				
	\$0	\$0	\$0	\$0
b. Actual return on plan assets	0	0	0	0
c. Foreign currency exchange rate changes	0	0	0	0
d. Employer contribution	168,796	168,796	436,811	436,811
e. Plan participants' contributions	0	0	0	0
f. Benefits paid	(168,796)	(168,796)	(436,811)	(436,811)
g. Business combinations, divestitures, and settlements	0	0	0	0
h. Fair value of plan assets at end of year	\$0	\$0	\$0	\$0

Notes to Financial Statements

(4a) Funded status:	\$(1,479,025)	\$(1,577,963)	\$(2,201,494)	\$(2,368,544)
a. Unamortized prior service cost	0	0	0	0
b. Unrecognized net gain or (loss)	(81,616)	(115,139)	(616,159)	(568,481)
c. Remaining net obligation or net asset at initial date of application	0	0	0	0
d. Prepaid assets or accrued liabilities	\$(1,397,409)	\$(1,462,824)	\$(1,585,336)	\$(1,800,063)
e. Intangible asset	\$0	\$0	\$0	\$0
(4b) Amounts recognized in the statement of financial position consist of:				
a. Prepaid benefit cost	\$0	\$0	\$0	\$0
c. Accrued benefit cost	(1,468,030)	(1,542,,814)	(2,201,494)	(2,208,605)
c. Intangible assets	0	0	0	0
d. Accumulated other comprehensive income (additional minimum liability)	79,990	79,990	408,542	408,542
e. Net amount recognized at end of year	\$(1,397,409)	\$(1,462,824)	\$(1,585,336)	\$(1,800,063)
(5) Components of net periodic benefit cost				
a. Service cost	\$17,298	\$134,493	\$48,548	\$232,615
b. Interest cost	86,084	94,103	134,639	146,611
c. Expected return on plan assets	0	0	0	0
d. Amortization of unrecognized transition obligation or transition asset	0	0	0	0
e. Amortization of unrecognized (gains) and losses	0	0	38,898	34,302
f. Amount of prior service cost recognized	0	0	0	0
g. Amount of gain or loss recognized due to a settlement or curtailment	0	0	0	0
h. Total net periodic benefit cost	\$103,382	\$228,596	\$222,085	\$413,528

- (6)

Discount rates assumed are 5.50% and 6.00% for 2009 and 2008, respectively. Rate of compensation increase rates assumed are 4.25% and 4.75% for 2009 and 2008, respectively.
- (7)

Not applicable.
- (8)

Not applicable.

C. The Company does not participate in a multiemployer plan.

D. The Company is not a party to any consolidated/holding company plans.

E. The Company does not sponsor a postemployment benefit plan. Compensated absences/vacation pay is recorded as an accrued liability in salaries and wages general expense and is not material. There were no material changes in the summary of assets, obligations and assumptions of the non-qualified plans as of December 31, 2009.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

Not applicable.

14. Contingencies

- A. Contingent Commitments

No applicable.
- B. Risk Pool Assessments

Not applicable.
- C. Gain Contingencies

Not applicable.

15. Leases

- A. The Company has no non-cancelable operating leases. Rental expense for the period ended December 31, 2009 and 2008 were approximately \$1,581,502 and \$1,563,390, respectively.

In connection with sale of the Home Office property in 2006, the Company has entered into an agreement to lease back a portion of the building through 2019, with total future lease obligation of \$13,174,047 as of December 31, 2009.

Notes to Financial Statements

In December 2008, the Company entered into a sales-lease back agreement for computers and equipment. As of December 31, 2009 the agreement has a future lease obligation of \$212,163 through 2011. The Company has the option at the end of the lease to buy back the equipment for a \$1.

As of December 31, 2009, there are no other minimum remaining aggregate rental commitments.

B. The Company owns and leases real estate. The Company has no leveraged lease transactions.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

See Note 14A above.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishing of Liabilities

A. Transfers of Receivables Reported as Sales
None.

B. Transfer and Servicing of Financial Assets
None.

C. Wash Sales
None.

18. Gain or Loss to the Reporting Entity from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third-Party Administrators

Name and Address	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premiums Written/Produced
Employers Direct Health, Inc. 5050 Spring Valley Rd. Dallas, TX 75244	75-2322062	No	Group: Medical Dental Life	U, C, CA, P	\$0
TRISTAR Insurance Services 100 Oceangate, Suite 700 Long Beach, CA 90802	20-2101656	No	Group: Medical Life	U, C, CA, P	\$211,381
Vision Financial Services, Inc. 17 Church St./ P. O. Box 506 Keene, NH 03431-0506	02-0430860	No	Universal Life	U, C, CA, P	\$793,813
Universal Fidelity Life Ins. Co. 2211 North Highway 81. Duncan, OK 73533	73-0493220	No	Individual and Group: Preneed	U, C, CA, P	\$183,167
Total Plan Services, Inc 14001 Dallas Parkway North Suite 700 Dallas, Texas 75240	75-1946277	No	Group: Medical Life	U, C, CA, P	\$1,214,764
National Underwriters, Inc. P O Box 3688 Greenville, SC 29608	57-1120400	No	Group: Life	U	\$1,52
Benefit and Risk Management Services 10860 Gold Center Drive Rancho Cordova, CA 95670	68-0306908	No	Group: Medical	U, C, CA, P	\$1,097,885

20. Other Items

A. Extraordinary Items
Not applicable.

B. Troubled Debt Restructuring
Not applicable.

Notes to Financial Statements

C. Uncollected Balances

At December 31, 2009 and December 31, 2008, the Company had admitted assets of \$1,214,228 and \$2,515,878, respectively, in accounts receivable for uninsured plans and amounts due from agents. The Company routinely evaluates the collectibility of uncollected premiums and writes off any amounts deemed to be uncollectible. During the quarters ended December 31, 2009 and 2008 the Company recorded write offs of receivables amounting to \$0 and \$0 respectively.

During 2006, the Company entered into a \$5.1 million Note Agreement with one of our Managing General Agents ("MGA") for premium amounts past due. The terms of the Note call for monthly installments of \$25,000 from September 2006 through February 2009, with a balloon payment on March 1, 2009 equal to the balance of any principal and interest amount then outstanding. The Note Agreement also assigns to the Company certain fees and recoveries normally due to the MGA during the normal course of business. As of December 31, 2009, the Company has reflected \$3,129,000 of such assignments as offsets to the Note after deducting payments received of \$1,124,000 and an uncollectible allowance of \$838,000.

EDH did not honor the scheduled balloon payment on March 1, 2009. At the inception of the note, management evaluated the collectability of the balance due from EDH and determined that full collection of such amounts was doubtful; accordingly an allowance was established as of December 31, 2005. The current allowance exceeds the amount of the balloon payment less payments made since that time; therefore, the failure of EDH to make such payment has no impact on reported surplus or net income. The Company has negotiated a subsequent agreement with EDH for the balloon amount plus penalties and interest whereby a significant upfront payment and subsequent installments are made by EDH over the next eighteen months, concluding with a balloon payment in June 2011. This agreement is pending approval by the North Carolina Department of Insurance.

D. Business Interruption Insurance Recoveries

Not applicable.

21. Subsequent Events

None

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by a representative, officer, trustee, or director of the company? Yes () No (X)
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)
2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0.
2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes () No (X)

B. Uncollectible Reinsurance

Not applicable.

C. Commutation of Ceded Reinsurance

Not applicable.

Notes to Financial Statements

D. Effective April 1, 2009, the Company entered into a reinsurance agreement with Securian Life to reinsure 100% of the reinsurance liabilities under the assumed reinsurance agreement between Minnseota Life insurance Company and North Carolina Mutual dated January 1, 2005.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

24. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2008 were \$228,246. As of December 31, 2009, \$311,793 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$110,669 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on A&H line of insurance. Therefore, there has been a \$194,216 unfavorable prior-year development since December 31, 2008 to December 31, 2009. The unfavorable experience is generally the result of ongoing analysis of recent loss development trends.

25. Intercompany Pooling Arrangements

Not applicable.

26. Structured Settlements

Not applicable.

27. Health Care Receivables

A. Not applicable.

B. Not applicable.

28. Participating Policies

A. Premiums under individual life participating policies were 52% and 52% of total individual premiums earned during the years ending December 31, 2009 and 2008, respectively.

B. The Company accounts for its policyholder dividends on an accrual basis consistent with SSAP 51 and SSAP 54.

C. The Company recorded dividend expense in the amounts of (\$96,699) and \$522,764 to individual life policyholders during the year ending December 31, 2009 and 2008, respectively. The Company established separate liabilities for dividends payable in the next 12 months of \$-0- and \$549,346 as of December 31, 2009, and December 31, 2008, respectively. The Company has suspended future dividend payments, effective 01/01/2010.

D. None

29. Premium Deficiency Reserves

1. As of December 31, 2009 and 2008, there was no Premium Deficiency Reserve.

2. The Company did not consider anticipated investment income when calculating its premium deficiency.

30. Reserves for Life Contracts and Deposit-Type Contracts:

1. The Company holds the non-deduction reserve. The Company waives deduction of deferred fractional premium upon death of insured. Any portion of the final premiums beyond the date of death is returned. Surrender values are not promised in excess of the legally computed reserves.
2. The Company holds the unearned premium reserve, which is equal to one-half of the extra premium for the year.
3. The Company had no insurance in force for which the gross premiums are less than the net premiums according to the standard of valuation set by the State of North Carolina.
4. The tabular interest (Page 7, Line 4), Tabular less Actual Reserve released (Page 7, Line 5), and Tabular Cost (Page 7, Line 9) have been determined by a formula as described in the instructions for Page 7 of the Annual Statement.
5. The Tabular Interest on funds not involving contingencies under Exhibit 7 (Line 3), was determined as the product of guaranteed rate of interest and the amount of funds subject to such valuation rate.
6. There were no other reserve changes.

Notes to Financial Statements

31. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics
Withdrawal Characteristics of Annuity Actuarial and Deposit Liabilities

	Exhibit 5B	Exhibit 5C	Exhibit 7	Total	% of Total
A. Subject to discretionary withdrawal					
(1) with market value adjustment	-	-	-	-	0.0%
(2) at book value less surrender charge of 5% or more	782,266	-	-	782,266	15.1%
(3) at market value	-	-	-	-	0.0%
(4) Total with adjustment or at market value	782,266	-		782,266	15.1%
(5) at book value without adjustment	1,693,472		2,699,022	4,392,494	84.9%
B. Not subject to discretionary withdrawal	-	2,372	-	2,372	0.0%
C. Total (gross)	2,475,738	2,372	2,699,022	5,176,,285	100.0%
D. Reinsurance ceded	-	-	847	847	0.0%
E. Total (net)	2,475,738	2,372	2,698,175	5,176,285	100.0%

32. Premium and Annuity Considerations Deferred and Uncollected (net of ceded)

		Gross	Net
(1)	Industrial	263,850	54,459
(2)	Ordinary new business (incl. Ann.)	183,569	17,416
(3)	Ordinary renewal (incl. Ann.)	5,312,396	2,945,409
(4)	Credit Life	0	0
(5)	Group Life	563,762	563,762
(6)	Group Annuity	0	0
(7)	Totals	5,677,060	3,581,045

33. Separate Accounts
Not applicable.

34. Loss/Claim Adjustment Expenses
The Company recognized \$2,106 and \$1,016 in loss/claims adjustment expenses for the periods ended December 31, 2009 and 2008, respectively.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
North Carolina
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/20/2007
- 3.4 By what department or departments?

North Carolina Department of Insurance and Delaware Department of Insurance.
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[] No[] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[X] No[]
- 6.2 If yes, give full information:

State of Florida - certificate of authority suspended under Section 624.421, Florida Statutes, case number 105460-09-CO; State of Michigan - company has voluntarily consented to cease writing new business under Section 403 of the Michigan Insurance Code; Commonwealth of Virginia, Bureau of Insurance - license suspended for purposes of issuing new business under Section 38.2-1040 of the Code of Virginia and Chapter 290 of Title 14 of the Virginia Administrative Code, case number INS-2009-00248
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Johnson Lambert & Co. 700 Spring Forest Road Suite 335 / Raleigh NC 27609
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Stafford L. Thompson, Jr., FSA, MAAA (VP Corporate Actuary) 411 West Chapel Hill Street / Durham, NC 27701-3616
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved

0
- 11.13 Total book/adjusted carrying value

\$ 0
- 11.2 If yes, provide explanation

GENERAL INTERROGATORIES (Continued)

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?
- 12.3 Have there been any changes made to any of the trust indentures during the year?
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended?
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers?
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers
- 18.12 To stockholders not officers
- 18.13 Trustees, supreme or grand (Fraternal only)
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers
- 18.22 To stockholders not officers
- 18.23 Trustees, supreme or grand (Fraternal only)
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others
- 19.22 Borrowed from others
- 19.23 Leased from others
- 19.24 Other
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment
- 20.22 Amount paid as expenses
- 20.23 Other amounts paid
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)
- 22.2 If no, give full and complete information, relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- 22.5 If answer to 22.4 is YES, report amount of collateral
- 22.6 If answer to 22.4 is NO, report amount of collateral
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3).
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements
- 23.22 Subject to reverse repurchase agreements
- 23.23 Subject to dollar repurchase agreements
- 23.24 Subject to reverse dollar repurchase agreements
- 23.25 Pledged as collateral
- 23.26 Placed under option agreements
- 23.27 Letter stock or securities restricted as to sale
- 23.28 On deposit with state or other regulatory body
- 23.29 Other
- 23.3 For category (23.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB?
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

GENERAL INTERROGATORIES (Continued)

- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0
26. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
U.S. BANK	Washington, DC

- 26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year?

Yes[] No[X]
- 26.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....

- 26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
80158025	Piedmont Investment Advisors, LLC	Durham, NC

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[] No[X]
- 27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total

- 27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	99,761,149	99,115,869	(645,280)
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals	99,761,149	99,115,869	(645,280)

- 28.4 Describe the sources or methods utilized in determining the fair values
NAIC Valuation of Securities CD-ROM and Interactive Data Corporation

- 29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[] No[X]
- 29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[] No[X]
- 29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

GENERAL INTERROGATORIES (Continued)

30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[]

30.2 If no, list exceptions:

OTHER

31.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 13,749

31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
AM Best .....	..... 13,749

32.1 Amount of payments for legal expenses, if any?

\$..... 211,960

32.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
KILPATRICK STOCKTON LLP .....	..... 105,320
THE FRANCIS LAW FIRM, PLLC .....	..... 106,640

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

33.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - LIFE INTERROGATORIES

- | | | |
|---|--------------|---|
| 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? | Yes[] No[X] | |
| 1.2 If yes, indicate premium earned on U.S. business only. | \$ | 0 |
| 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? | \$ | 0 |
| 1.31 Reason for excluding: | | |
| 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. | \$ | 0 |
| 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. | \$ | 0 |
| 1.6 Individual policies: | | |
| Most current three years: | | |
| 1.61 Total premium earned | \$ | 0 |
| 1.62 Total incurred claims | \$ | 0 |
| 1.63 Number of covered lives | ..... | 0 |
| All years prior to most current three years | | |
| 1.64 Total premium earned | \$ | 0 |
| 1.65 Total incurred claims | \$ | 0 |
| 1.66 Number of covered lives | ..... | 0 |
| 1.7 Group policies: | | |
| Most current three years: | | |
| 1.71 Total premium earned | \$ | 0 |
| 1.72 Total incurred claims | \$ | 0 |
| 1.73 Number of covered lives | ..... | 0 |
| All years prior to most current three years: | | |
| 1.74 Total premium earned | \$ | 0 |
| 1.75 Total incurred claims | \$ | 0 |
| 1.76 Number of covered lives | ..... | 0 |

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	546,416	9,229,540
2.2	Premium Denominator	26,707,858	373,311,836
2.3	Premium Ratio (2.1 / 2.2)	0.020	0.025
2.4	Reserve Numerator	249,829	1,603,961
2.5	Reserve Denominator	130,021,880	104,695,358
2.6	Reserve Ratio (2.4 / 2.5)	0.002	0.015

- | | |
|--|---------------------|
| 3.1 Does this reporting entity have Separate Accounts? | Yes[] No[X] |
| 3.2 If yes, has a Separate Accounts statement been filed with this department? | Yes[] No[] N/A[X] |
| 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account? | \$ 0 |
| 3.4 State the authority under which Separate Accounts are maintained: | |
| 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? | Yes[] No[X] |
| 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? | Yes[] No[X] |
| 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?" | \$ 0 |
| 4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? | Yes[] No[X] |
| 4.2 Net reimbursement of such expenses between reporting entities: | |
| 4.21 Paid | \$ 0 |
| 4.22 Received | \$ 0 |
| 5.1 Does the reporting entity write any guaranteed interest contracts? | Yes[] No[X] |
| 5.2 If yes, what amount pertaining to these items is included in: | |
| 5.21 Page 3, Line 1 | \$ 0 |
| 5.22 Page 4, Line 1 | \$ 0 |
| 6. For stock reporting entities only: | |
| 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: | \$ 0 |
| 7. Total dividends paid stockholders since the organization of the reporting entity: | |
| 7.11 Cash | \$ 0 |
| 7.12 Stock | \$ 0 |
| 8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance. | Yes[] No[X] |
| 8.2 If yes, has the reporting entity completed the WORKERS' COMPENSATION CARVE-OUT SUPPLEMENT to the Annual Statement? | Yes[] No[X] N/A[] |
| 8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are: | |

		1	2	3
		Reinsurance Assumed	Reinsurance Ceded	Net Retained
8.31	Earned premium			
8.32	Paid claims			
8.33	Claim liability and reserve (beginning of year)			
8.34	Claim liability and reserve (end of year)			
8.35	Incurred claims			

- 8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

GENERAL INTERROGATORIES (Continued)

Attachment Point		1 Earned Premium	2 Claim Liability and Reserve
8.41	< \$25,000		
8.42	\$25,000 - 99,999		
8.43	\$100,000 - 249,999		
8.44	\$250,000 - 999,999		
8.45	\$1,000,000 or more		

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools?

\$..... 0

9.1 Does the company have variable annuities with guaranteed benefits?

Yes[] No[X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3 Waiting Period Remaining	4 Account Value Related to Column 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							
.....

10. For reporting entities having sold annuities to another insurer where the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

\$..... 0

10.1 Amount of loss reserves established by these annuities during the current year?

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
.....

11.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$..... 0

11.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

11.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$..... 0

FIVE - YEAR HISTORICAL DATA

Show Amounts in Whole Dollars Only, No Cents; Show Percentages to One Decimal Place, i.e., 17.6.

Show Amounts of Life Insurance in this Exhibit in Thousands (Omit \$000)

	1 2009	2 2008	3 2007	4 2006	5 2005
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Column 4)	719,939	745,474	631,524	630,597	597,615
2. Ordinary - term (Line 21, Column 4, less Line 34, Column 4) ..	246,964	267,461	251,212	239,807	219,084
3. Credit life (Line 21, Column 6)					
4. Group, excluding FEGLI/SGLI (Line 21, Column 9 less Lines 43 & 44, Column 4)	5,385,436	5,179,304	4,712,308	5,847,536	5,631,475
5. Industrial (Line 21, Column 2)	85,695	75,892	79,962	85,138	89,554
6. FEGLI/SGLI (Lines 43 & 44, Column 4)	2,216,667	3,531,012	3,951,570	4,792,186	6,041,005
7. TOTAL (Line 21, Column 10)	8,654,701	9,799,143	9,626,576	11,595,264	12,578,733
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Column 2)	93,007	86,753	134,728	131,828	76,074
9. Ordinary - term (Line 2, Column 4, less Line 34, Column 2) ...	16,128	39,008	52,115	51,280	27,855
10. Credit life (Line 2, Column 6)					
11. Group (Line 2, Column 9)	1,469,849	2,970,093	818,753	44,774	613,458
12. Industrial (Line 2, Column 2)					
13. TOTAL (Line 2, Column 10)	1,578,984	3,095,854	1,005,596	227,882	717,387
Premium Income-Lines of Business (Exhibit 1 - Part 1)					
14. Industrial life (Exhibit 1 - Part 1, Line 20.4, Column 2)	327,621	666,702	(18,060)	(40,043)	66,125
15.1 Ordinary life insurance (Exhibit 1 - Part 1, Line 20.4, Column 3)	12,980,633	15,505,004	13,027,788	14,027,351	13,023,636
15.2 Ordinary individual annuities (Exhibit 1 - Part 1, Line 20.4, Column 4)	260,602	387,574	340,101	286,498	219,893
16. Credit life, (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 5)					
17.1 Group life insurance (Exhibit 1 - Part 1, Line 20.4, Column 6) .	11,907,336	19,067,670	17,821,615	29,691,153	32,978,879
17.2 Group annuities (Exhibit 1 - Part 1, Line 20.4, Column 7)					
18.1 A & H group (Exhibit 1 - Part 1, Line 20.4, Column 8)	891,900	1,298,502	15,143,360	23,722,661	23,825,586
18.2 A & H credit (group and individual) (Exhibit 1 - Part 1, Line 20.4, Column 9)					
18.3 A & H other (Exhibit 1 - Part 1, Line 20.4 Column 10)	339,766	386,384	431,493	473,899	524,675
19. Aggregate of all other lines of business (Exhibit 1 - Part 1, Line 20.4, Column 11)					
20. TOTAL	26,707,858	37,311,836	46,746,297	68,161,519	70,638,794
Balance Sheet Items (Pages 2 and 3)					
21. TOTAL Admitted Assets excluding Separate Accounts business (Page 2, Line 24, Column 3)	151,580,237	159,410,885	132,732,722	139,750,599	144,306,182
22. TOTAL Liabilities excluding Separate Accounts business (Page 3, Line 26)	145,214,931	149,915,834	119,761,248	124,805,695	131,737,576
23. Aggregate life reserves (Page 3, Line 1)	126,300,562	125,526,038	95,943,006	97,083,800	93,617,280
24. Aggregate A & H reserves (Page 3, Line 2)	407,129	423,509	401,897	428,357	523,518
25. Deposit-type contract funds (Page 3, Line 3)	2,698,176	2,725,605	2,796,140	2,807,986	2,816,383
26. Asset valuation reserve (Page 3, Line 24.1)	326,488	608,371	746,399	1,013,774	1,521,832
27. Capital (Page 3, Lines 29 & 30)					
28. Surplus (Page 3, Line 37)	6,365,306	9,495,051	12,971,474	14,944,904	12,568,606
Cash Flow (Page 5)					
29. Net Cash from Operations (Line 11)	(2,840,640)	26,436,010	(5,725,402)	(1,877,266)	(6,373,320)
Risk-Based Capital Analysis					
30. TOTAL Adjusted Capital	6,691,794	10,378,095	13,944,770	16,163,375	14,330,303
31. Authorized control level risk-based capital	2,217,109	4,505,264	4,387,027	5,420,113	5,449,326
Percentage Distribution of Cash, Cash Equivalents and Invested Assets					
(Page 2, Column 3) (Line No./Page 2, Line 10, Column 3) x 100.0					
32. Bonds (Line 1)	75.5	75.8	77.4	69.5	69.1
33. Stocks (Lines 2.1 and 2.2)	0.3	0.7	0.8	1.5	3.3
34. Mortgage loans on real estate (Line 3.1 and 3.2)	9.8	9.3	10.7	9.5	11.0
35. Real estate (Lines 4.1, 4.2 and 4.3)	0.0		0.0	0.0	3.1
36. Cash, cash equivalents and short-term investments (Line 5) ..	9.3	8.9	6.4	15.2	6.5
37. Contract loans (Line 6)	4.9	4.7	4.6	4.2	4.3
38. Other invested assets (Line 7)			0.1	0.1	2.3
39. Receivables for securities (Line 8)	0.2	0.5	0.0		0.4
40. Aggregate write-ins for invested assets (Line 9)					
41. Cash, cash equivalents and invested assets (Line 10)	100.0	100.0	100.0	100.0	100.0

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D Summary, Line 12 Column 1)					
43. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)	71,835	28,685			0
45. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. TOTAL of above Lines 42 to 47	71,835	28,685			0
TOTAL Nonadmitted and Admitted Assets					
49. TOTAL Nonadmitted Assets (Page 2, Line 26, Column 2)	15,104,800	14,519,059	14,591,974	14,639,176	15,970,007
50. TOTAL Admitted Assets (Page 2, Line 26, Column 3)	151,580,237	159,410,885	132,732,722	139,750,599	144,306,182
Investment Data					
51. Net investment income (Exhibit of Net Investment Income)	7,405,142	7,326,218	5,992,001	4,939,965	4,920,931
52. Realized capital gains (losses)		124,265	1,455,960	6,343,339	922,714
53. Unrealized capital gains (losses)		251,492	(7,196)	(192,205)	(1,663,923)
54. TOTAL of Above Lines 51, 52, and 53	7,405,142	7,701,975	7,440,765	11,091,099	4,179,722
Benefits and Reserve Increase (Page 6)					
55. TOTAL Contract Benefits-Life (Lines 10, 11, 12, 13, 14 and 15, Col. 1 minus Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11)	19,227,833	27,550,457	24,928,181	34,590,996	39,646,741
56. TOTAL Contract Benefits - A & H (Lines 13 & 14, Columns 9, 10 & 11)	845,287	579,695	12,883,299	16,221,518	14,524,955
57. Increase in life reserves-other than group and annuities (Line 19, Columns 2 & 3)	677,302	28,981,977	524,065	1,847,142	1,742,817
58. Increase in A & H reserves (Line 19, Columns 9, 10 & 11)	(16,381)	344,482	(26,593)	(95,366)	38,220
59. Dividends to policyholders (Line 30, Column 1)	(96,700)	522,764	429,799	384,476	445,026
Operating Percentages					
60. Insurance expense percent (Page 6, Column 1, Lines 21, 22 & 23 less Line 6) / (Page 6 Column 1, Line 1 plus Exhibit 7, Column 2, Line 2) x 100.00	42.0	37.4	35.3	35.0	35.3
61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Column 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Column 4, Lines 1 & 21)] x 100.00	15.5	19.6	22.1	17.5	13.2
62. A & H loss percent (Schedule H, Part 1, Line 5 + Line 6, Column 2)	79.1	34.8	82.6	61.4	59.9
63. A & H cost containment percent (Schedule H, Part 1, Line 4, Column 2)		(0.1)	0.1	0.3	0.2
64. A & H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Column 2)	156.2	91.7	28.0	37.3	40.5
A & H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Schedule H, Part 3, Line 3.1, Column 2)	179,340	774,317	2,023,390	3,734,650	2,236,737
66. Prior years' claim liability and reserve - group health (Schedule H, Part 3, Line 3.2, Column 2)	125,158	776,092	1,795,656	4,043,129	2,513,562
67. Incurred losses on prior years' claims - health other than group (Schedule H, Part 3, Line 3.1, Column 1 less Column 2)	243,122	157,770	197,137	240,735	166,619
68. Prior years' claim liability and reserve - health other than group (Schedule H, Part 3, Line 3.2, Column 1 less Column 2)	103,088	207,619	190,821	206,047	267,686
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Column 2)	(918,159)	(221,183)	253,211	4,196	337,875
70. Ordinary - life (Column 3)	4,827,998	(648,653)	(2,465,196)	(4,255,044)	(3,974,663)
71. Ordinary - individual annuities (Column 4)	(493,956)	(160,486)	(5,896)	(266,791)	(153,527)
72. Ordinary - supplementary contracts (Column 5)	5,367	18,496	5,434	4,408	354,751
73. Credit life (Column 6)	4,064				
74. Group life (Column 7)	(2,951,102)	(2,813,671)	(296,053)	252,945	(714,459)
75. Group annuities (Column 8)					
76. A & H - group (Column 9)	(962,572)	(489,591)	(1,486,971)	55,004	1,445,152
77. A & H - credit (Column 10)				126	
78. A & H - other (Column 11)	(455,505)	(219,001)	(291,362)	(388,458)	(264,109)
79. Aggregate of all other lines of business (Column 12)			(6,979)		
80. TOTAL (Column 1)	(943,865)	(4,534,088)	(4,293,813)	(4,593,613)	(2,968,981)

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[X] N/A[]

If no, please explain::

EXHIBIT OF LIFE INSURANCE

		Industrial		Ordinary		Credit Life (Group and Individual)		Group		10
		1	2	3	4	5	6	Number of		9
		Number of Policies	Amount of Insurance (a)	Number of Policies	Amount of Insurance (a)	Number of Individual Policies and Group Certificates	Amount of Insurance (a)	7	8	
								Policies	Certificates	Amount of Insurance (a)
1.	In force end of prior year	176,359	75,892	159,501	1,012,935			26	532,363	8,710,316
2.	Issued during year			7,331	109,135			3	122,889	1,469,849
3.	Reinsurance assumed									
4.	Revived during year	23	35	1,870	42,944					42,979
5.	Increased during year (net)	18,261	14,586						12,174	688,563
6.	Subtotals (Lines 2 to 5)	18,284	14,621	9,201	152,079			3	135,063	2,158,412
7.	Additions by dividends during year	X X X	9	X X X	931	X X X		X X X	X X X	
8.	Aggregate write-ins for increases									940
9.	TOTALS (Lines 1 and 6 to 8)	194,643	90,522	168,702	1,165,945			29	667,426	10,868,728
Deductions during year:										
10.	Death	1,637	1,189	2,800	8,610			X X X	280	11,685
11.	Maturity	3,002	407	359	280			X X X		687
12.	Disability							X X X		
13.	Expiry	2,319	1,743	2,756	24,210					25,953
14.	Surrender	1,497	1,437	2,560	23,059			5	23,094	3,036,848
15.	Lapse	130	51	6,695	130,391				13,218	218,092
16.	Conversion			8	530			X X X	X X X	X X X
17.	Decreased (net)			17,074	11,962			2		
18.	Reinsurance									
19.	Aggregate write-ins for decreases									
20.	TOTALS (Lines 10 to 19)	8,585	4,827	32,252	199,042			7	36,592	3,266,625
21.	In force end of year (Line 9 minus Line 20)	186,058	85,695	136,450	966,903			22	630,834	7,602,103
22.	Reinsurance ceded end of year	X X X	84,356	X X X	292,408	X X X		X X X	X X X	4,606,832
23.	Line 21 minus Line 22	X X X	1,339	X X X	674,495	X X X	(b)	X X X	X X X	2,995,271
DETAILS OF WRITE-INS										
0801.	Worksite Marketing									
0802.	.....								
0803.	.....								
0898.	Summary of remaining write-ins for Line 8 from overflow page									
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above)									
1901.	Worksite Marketing									
1902.	.....								
1903.	.....								
1998.	Summary of remaining write-ins for Line 19 from overflow page									
1999.	TOTALS (Lines 1901 through 1903 plus 1998) (Line 19 above)									

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).
(b) Group \$.000000000; Individual \$.000000000.

EXHIBIT OF LIFE INSURANCE (Continued)
ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

		Industrial		Ordinary	
		1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24.	Additions by dividends	X X X	4,786	X X X	7,941
25.	Other paid-up insurance	123,631	31,700	26,896	32,303
26.	Debit ordinary insurance	X X X	X X X	22,254	116,852

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

		Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
		1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
Term Insurance Excluding Extended Term Insurance					
27.	Term policies -- decreasing			5	8
28.	Term policies -- other	28	1,902	1,240	80,363
29.	Other term insurance -- decreasing	X X X		X X X	
30.	Other term insurance	X X X	14,226	X X X	28,716
31.	TOTALS (Lines 27 to 30)	28	16,128	1,245	109,087
Reconciliation to Lines 2 and 21:					
32.	Term additions	X X X		X X X	
33.	TOTALS, extended term insurance	X X X	X X X	27,064	137,887
34.	TOTALS, whole life and endowment	7,303	93,007	108,141	719,939
35.	TOTALS (Lines 31 to 34)	7,331	109,135	136,450	966,913

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

		Issued During Year (included in Line 2)		In Force End of Year (included in Line 21)	
		1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36.	Industrial			28,202	57,493
37.	Ordinary	23,222	85,913	623,548	343,363
38.	Credit Life (Group and Individual)				
39.	Group	1,469,849		7,602,103	
40.	TOTALS (Lines 36 to 39)	1,493,071	85,913	8,253,853	400,856

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

		Credit Life		Group	
		1 Number of Indi- dual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41.	Amount of insurance included in Line 2 ceded to other companies	X X X		X X X	201
42.	Number in force end of year if the number under shared groups is counted on a pro-rata basis ...		X X X		X X X
43.	Federal Employees' Group Life Insurance included in Line 21			18,576	2,216,667
44.	Servicemen's Group Life Insurance included in Line 21				
45.	Group Permanent Insurance included in Line 21				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46.	Amount of additional accidental death benefits in force end of year under ordinary policies (a)	134,318
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BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47.	State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc. policies and riders included above.	
47.1	Actual Amount	
47.2	For each \$5,000 on insured - Spouse \$1,000, Children \$2,500	

POLICIES WITH DISABILITY PROVISIONS

		Industrial		Ordinary		Credit		Group	
		1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Policies	6 Amount of Insurance (a)	7 Number of Certificates	8 Amount of Insurance (a)
48.	Waiver of Premium ..	141	124	39	1,928			1,652	53,343
49.	Disability Income								
50.	Extended Benefits ...			X X X	X X X				
51.	Other								
52.	TOTAL	141	(b)..... 124	39	(b)..... 1,928		(b).....	1,652	(b)..... 53,343

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).
(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS, ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES

		Ordinary		Group	
		1	2	3	4
		Involving Life Contingencies	Not Involving Life Contingencies	Involving Life Contingencies	Not Involving Life Contingencies
1.	In force end of prior year	1	22		
2.	Issued during year				
3.	Reinsurance assumed				
4.	Increased during year (net)				
5.	TOTALS (Lines 1 to 4)	1	22		
Deductions during year:					
6.	Decreased (net)		2		
7.	Reinsurance ceded				
8.	TOTALS (Lines 6 and 7)		2		
9.	In force end of year	1	20		
10.	Amount on deposit	2,372	(a) 87,222		(a)
11.	Income now payable	1	1		
12.	Amount of income payable	(a) 363	(a) 1,200	(a)	(a)

ANNUITIES

		Ordinary		Group	
		1	2	3	4
		Immediate	Deferred	Contracts	Certificates
1.	In force end of prior year		831		
2.	Issued during year		27		
3.	Reinsurance assumed				
4.	Increased during year (net)				
5.	TOTALS (Lines 1 to 4)		858		
Deductions during year:					
6.	Decreased (net)		87		
7.	Reinsurance ceded				
8.	TOTALS (Lines 6 and 7)		87		
9.	In force end of year		771		
Income now payable:					
10.	Amount of income payable:	(a)	X X X	X X X	(a)
Deferred fully paid:					
11.	Account balance	X X X	(a) 2,475,738	X X X	(a)
Deferred not fully paid:					
12.	Account balance	X X X	(a) 6,231	X X X	(a)

ACCIDENT AND HEALTH INSURANCE

		Group		Credit		Other	
		1	2	3	4	5	6
		Certificates	Premiums in Force	Policies	Premiums in Force	Policies	Premiums in Force
1.	In force end of prior year	28	935,340			1,048	223,588
2.	Issued during year						
3.	Reinsurance assumed		108,971				
4.	Increased during year (net)		X X X		X X X		X X X
5.	TOTALS (Lines 1 to 4)	28	X X X		X X X	1,048	X X X
Deductions during year:							
6.	Conversions		X X X	X X X	X X X	X X X	X X X
7.	Decreased (net)		X X X		X X X	140	X X X
8.	Reinsurance ceded		X X X		X X X		X X X
9.	TOTALS (Lines 6 to 8)		X X X		X X X	140	X X X
10.	In force end of year	28	(a) 950,372		(a)	908	(a) 203,101

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

		1	2
		Deposit Funds Contracts	Dividend Accumulations Contracts
1.	In force end of prior year	478	8,119
2.	Issued during year		
3.	Reinsurance assumed		
4.	Increased during year (net)		
5.	TOTALS (Lines 1 to 4)	478	8,119
Deductions during year:			
6.	Decreased (net)	74	79
7.	Reinsurance ceded		
8.	TOTALS (Lines 6 and 7)	74	79
9.	In force end of year	404	8,040
10.	Amount of account balance	(a) 9,711	(a) 2,597,301

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the annual statement instructions.

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

States, Etc.		1	Direct Business Only					
			Life Contracts		4	5	6	7
			2	3				
		Active Status	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 through 5	Deposit-Type Contracts
1.	Alabama (AL)	L	673,003		797		673,800	
2.	Alaska (AK)	N						
3.	Arizona (AZ)	L	448				448	
4.	Arkansas (AR)	N	231				231	
5.	California (CA)	L	578,674		1,397,902		1,976,576	
6.	Colorado (CO)	N						
7.	Connecticut (CT)	N	168				168	
8.	Delaware (DE)	N	169				169	
9.	District of Columbia (DC)	L	488,071	7,238	13,901		509,210	
10.	Florida (FL)	L	354,610		298		354,908	
11.	Georgia (GA)	L	1,813,840	24,042	724,256		2,562,138	
12.	Hawaii (HI)	N						
13.	Idaho (ID)	L	27				27	
14.	Illinois (IL)	L	3,078,265	700	1,946		3,080,912	
15.	Indiana (IN)	L	18,742		228,268		247,009	
16.	Iowa (IA)	N	110				110	
17.	Kansas (KS)	N	301				301	
18.	Kentucky (KY)	L	56,572		546		57,118	
19.	Louisiana (LA)	L	137,757		67,864		205,621	
20.	Maine (ME)	N						
21.	Maryland (MD)	L	1,036,048	18,186	5,072		1,059,306	
22.	Massachusetts (MA)	N	458				458	
23.	Michigan (MI)	L	896,411	10,695	6,623		913,729	
24.	Minnesota (MN)	N	(199)				(199)	
25.	Mississippi (MS)	L	469,162				469,162	
26.	Missouri (MO)	L	1,475		15		1,490	
27.	Montana (MT)	N						
28.	Nebraska (NE)	N						
29.	Nevada (NV)	L	79				79	
30.	New Hampshire (NH)	N	118				118	
31.	New Jersey (NJ)	L	494,128	2,326	2,871		499,324	
32.	New Mexico (NM)	N						
33.	New York (NY)	N	7,053		178		7,231	
34.	North Carolina (NC)	L	4,375,694	167,434	955,915		5,499,043	
35.	North Dakota (ND)	N						
36.	Ohio (OH)	L	27,754		164		27,917	
37.	Oklahoma (OK)	L	178				178	
38.	Oregon (OR)	N	19				19	
39.	Pennsylvania (PA)	L	1,183,589	3,380	6,341		1,193,310	
40.	Rhode Island (RI)	N						
41.	South Carolina (SC)	L	792,542	4,820	46,737		844,100	
42.	South Dakota (SD)	N						
43.	Tennessee (TN)	L	581,390	11,706	45,536		638,632	
44.	Texas (TX)	L	106,507		(40)		106,468	
45.	Utah (UT)	N						
46.	Vermont (VT)	N						
47.	Virginia (VA)	L	924,141	10,198	50,658		984,998	
48.	Washington (WA)	N	517				517	
49.	West Virginia (WV)	N						
50.	Wisconsin (WI)	N	38				38	
51.	Wyoming (WY)	N						
52.	American Samoa (AS)	N						
53.	Guam (GU)	N						
54.	Puerto Rico (PR)	N						
55.	U.S. Virgin Islands (VI)	N						
56.	Northern Mariana Islands (MP)	N						
57.	Canada (CN)	N						
58.	Aggregate Other Alien (OT)	X X X						
59.	Subtotal	(a) 25	18,098,092	260,726	3,555,848		21,914,665	
90.	Reporting entity contributions for employee benefits plans	X X X	172,638				172,638	
91.	Dividends or refunds applied to purchase paid-up additions and annuities	X X X	314,898				314,898	
92.	Dividends or refunds applied to shorten endowment or premium paying period	X X X						
93.	Premium or annuity considerations waived under disability or other contract provisions	X X X	110,232				110,232	
94.	Aggregate other amounts not allocable by State	X X X						
95.	Totals (Direct Business)	X X X	18,695,859	260,726	3,555,848		22,512,433	
96.	Plus Reinsurance Assumed	X X X	21,631,753		353,752		21,985,506	
97.	Totals (All Business)	X X X	40,327,612	260,726	3,909,600		44,497,938	
98.	Less Reinsurance Ceded	X X X	14,123,407		2,519,623		16,643,030	
99.	Totals (All Business) less Reinsurance Ceded	X X X	26,204,205	260,726	(b) 1,389,977		27,854,908	
DETAILS OF WRITE-INS								
5801.		X X X						
5802.		X X X						
5803.		X X X						
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X						
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X						
9401.		X X X						
9402.		X X X						
9403.		X X X						
9498.	Summary of remaining write-ins for Line 94 from overflow page	X X X						
9499.	Totals (Lines 9401 through 9403 plus 9498) (Line 94 above)	X X X						

(a) Insert the number of L responses except for Canada and Other Alien.
(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9 and 10 or with Schedule H, Part 1, Column 1, Line 1. Indicate which.... Exhibit 1, Lines 6.4, 10.4, and 16.4, Cols 8, 9 and 10

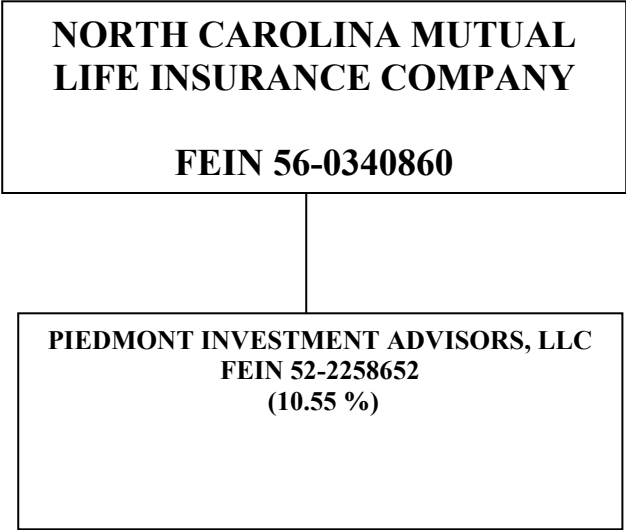
Explanation of basis of allocation by states, etc., of premiums and annuity considerations: Individual premiums and Group premiums are allocated to residence of policy holder.

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



INDEX TO LIFE AND ACCIDENT AND HEALTH
ANNUAL STATEMENT

Analysis of Increase in Reserves During The Year	7
Analysis of Operations By Lines of Business	6
Asset Valuation Reserve Default Component	30
Asset Valuation Reserve Equity	32
Asset Valuation Reserve Replications (Synthetic) Assets	35
Asset Valuation Reserve	29
Assets	2
Cash Flow	5
Exhibit 1 - Part 1 - Premiums and Annuity Considerations for Life and Accident and Health Contracts	9
Exhibit 1 - Part 2 - Dividends and Coupons Applied, Reinsurance Commissions and Expense	10
Exhibit 2 - General Expenses	11
Exhibit 3 - Taxes, Licenses and Fees (Excluding Federal Income Taxes)	11
Exhibit 4 - Dividends or Refunds	11
Exhibit 5 - Aggregate Reserve for Life Contracts	12
Exhibit 5 - Interrogatories	13
Exhibit 5A - Changes in Bases of Valuation During The Year	13
Exhibit 6 - Aggregate Reserves for Accident and Health Contracts	14
Exhibit 7 - Deposit-Type Contracts	15
Exhibit 8 - Claims for Life and Accident and Health Contracts - Part 1	16
Exhibit 8 - Claims for Life and Accident and Health Contracts - Part 2	17
Exhibit of Capital Gains (Losses)	8
Exhibit of Life Insurance	25
Exhibit of Net Investment Income	8
Exhibit of Nonadmitted Assets	18
Exhibit of Number of Policies, Contracts, Certificates, Income Payable and Account Values	27
Five-Year Historical Data	22
Form for Calculating the Interest Maintenance Reserve (IMR)	28
General Interrogatories	20
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Life Insurance (State Page)	24
Notes To Financial Statements	19
Overflow Page For Write-ins	53
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI11

INDEX TO LIFE AND ACCIDENT AND HEALTH
ANNUAL STATEMENT

Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E18
Schedule DB - Part A - Section 3	E19
Schedule DB - Part A - Verification Between Years	SI12
Schedule DB - Part B - Section 1	E19
Schedule DB - Part B - Section 2	E20
Schedule DB - Part B - Section 3	E20
Schedule DB - Part B - Verification Between Years	SI12
Schedule DB - Part C - Section 1	E21
Schedule DB - Part C - Section 2	E21
Schedule DB - Part C - Section 3	E22
Schedule DB - Part C - Verification Between Years	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Part D - Section 3	E23
Schedule DB - Part D - Verification Between Years	SI13
Schedule DB - Part E - Section 1	E24
Schedule DB - Part E - Verification Between Years	SI13
Schedule DB - Part F - Section 1	SI14
Schedule DB - Part F - Section 2	SI15
Schedule E - Part 1 - Cash	E25
Schedule E - Part 2 - Cash Equivalents	E26
Schedule E - Part 3 - Special Deposits	E27
Schedule E- Verification Between Years	SI16
Schedule F	36
Schedule H - Accident and Health Exhibit - Part 1	37
Schedule H - Parts - 2, 3, and 4	38
Schedule H - Part 5 - Health Claims	39
Schedule S - Part 1 - Section 1	40
Schedule S - Part 1 - Section 2	41
Schedule S - Part 2	42
Schedule S - Part 3 - Section 1	43
Schedule S - Part 3 - Section 2	44
Schedule S - Part 4	45
Schedule S - Part 5	46
Schedule S - Part 6	47
Schedule T - Part 2 Interstate Compact	49
Schedule T - Premiums and Annuity Considerations	48
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	50
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	51
Summary Investment Schedule	SI01
Summary of Operations	4
Supplemental Exhibits and Schedules Interrogatories	52